SENATE—*Wednesday, June 24, 1992*

(Legislative day of Tuesday, June 16, 1992)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. Today's prayer will be offered by guest chaplain, the Reverend Delvin D. Elwell, pastor of the First Baptist Church, Hinton, WV.

Dr. Elwell.

PRAYER

The guest chaplain, the Reverend Delvin D. Elwell, the First Baptist Church, Hinton, WV, offered the following prayer:

Our Father, we are grateful for the privilege of living in this great land and for those democratic principles which have made our country great.

We acknowledge that You are a sovereign God and that we in the affairs of life should seek Divine counsel.

May we be reminded that the God who is aware of the sparrow that falls is surely concerned about the legislative procedures that transpire in this great building.

Grant to these Senators wisdom and courage to deal with the complex problems before them and to make appropriate decisions.

In His name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL—LEADERSHIP TIME

Mr. MITCHELL. Mr. President, am I correct in my understanding that the Journal of proceedings has been approved to date and the time for the two leaders reserved for their use later in the day?

The PRESIDENT pro tempore. The majority leader is correct.

SCHEDULE

Mr. MITCHELL. Mr. President, and Members of the Senate, this morning there will be a period for morning business to extend until 10 a.m., during which time Senators will be permitted to speak for up to 5 minutes each.

At 10 a.m. the Senate will resume consideration of the pending Government-sponsored enterprises bill, with an amendment by Senator DODD on the pending business. It is my hope that we can complete action on that amendment during the day today and any other amendments, if any, to be offered to the committee substitute, and then to proceed in accordance with the agreement reached governing further amendments and disposition of the bill.

Senators are on notice that there may be rollcall votes during the day today.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KOHL). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. 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. DOLE. Mr. President, was leader time reserved?

The PRESIDING OFFICER. Leader time was reserved.

RAIL STRIKE

Mr. DOLE. Mr. President, it is no surprise that the first domino has now fallen and that we are now facing a national shutdown of the Nation's rail system.

My understanding of the situation—which is constantly changing—is as follows at this moment:

Just after midnight last night, the International Association of Machinists struck CSX Transportation, one of the largest freight railroads on the east coast.

As we all know, a strike against one railroad affects all of the other carriers. Rail lines interconnect, are shared by the carriers, and safety must be ensured.

The American Railroads Association has said that major freight railroads began clearing their lines early this morning and that by early afternoon, Conrail, Union Pacific, Chicago & Northwestern, Norfolk Southern, Burlington Northern, Santa Fe, and Southern Pacific will all have ceased operations; that is expected as of this afternoon.

I will give an example of how it is affecting our States. Those who think it is not going to affect their States are wrong. There are a lot of innocent people on the sidelines who are not part of management or labor. I will give one example: Beachner Grain in St. Paul, KS, which operates grain elevators in 10 southeast Kansas counties, has 6 out of 15 elevators shutdown this morning because of the strike. This situation is being repeated all over my State, and I suspect every other Member's State in one form or another. It will only get worse as time marches on. I had hoped that by offering my amendment yesterday urging the Congress to take action to forestall a rail strike because of its devastating impact on the country that we could have avoided what has now happened.

I am pleased that the amendment was adopted, but I am surprised that 39 Senators voted against it. I hope that they do not support the shutdown that is occurring and the havoc this situation is starting to wreak on the economy. There are millions of American workers who depend on rail service as their only way to get to their jobs or whose jobs depend on products and supplies transported by rail.

I am told that if the rail shutdown continues, there will be at least 180,000 layoffs within 3 days. For this Senator, that is unacceptable.

This morning, the distinguished chairman of the House Energy and Commerce Committee is holding hearings and I understand that Secretary Card and union and industry representatives will be testifying. I commend the efforts of Chairman DINGELL and the administration and I hope that these efforts will lead to a quick resolution. For those unions and rail negotiators who have opted not to strike in hopes of reaching a settlement shortly, I commend their efforts as well.

And I cannot emphasize enough that it is important that we all work together to quickly resolve this situation. We did it last year when we were dealing with contract disputes involving about 95 percent of the rail work force. Ninety-five percent of the rail work force we dealt with last year.

There is no reason Congress cannot repeat last year's action and deal with the other 5 percent quickly and without any bias toward either management or the railworkers.

It seems to me we have an obligation and the American people are counting on us. It seems to me we need to address the problem and to deal with it very quickly. If everything else fails, then I think we need to serve notice on our colleagues that there will be amendments offered at the earliest opportunity. It is my understanding that Senators KENNEDY and HATCH may be holding hearings sometime today, and we will then be able to determine whether or not additional action is necessary on the floor.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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But it is already going to cost millions and millions and millions of dollars; at a time when the economy is starting to recover just a bit, now we are going to put it back again. So I hope we can have a resolution very quickly. It ought to be bipartisan, nonpartisan, no politics involved. But it better be immediate.

The American people are fed up in many ways with the Congress of the United States, and this is our responsibility, not President Bush's. He cannot do a thing. He has done all he can do. He did that in April of this year. So it is now up to Congress. If they cannot reach some settlement, it is up to us to extend a cooling-off period, impose some settlement, or many other options. But it is up to Congress, Congress controlled by the majority party, the Democrat Party. It is up to Congress—Congress—not President Bush.

I do not want to see any of my colleagues on the other side pointing a finger at President Bush next week if this strike continues and starts costing $50, $60, $70, $100 million a day. It is time for action now. It was time for action yesterday. We did not get it yesterday. Let us see if we cannot recoup our losses and try to stem the losses across the country and do something before we leave here today.

Mr. President, I reserve the remainder of my time.

REGARDING THE RAIL STRIKE

Mr. GRASSLEY. Mr. President, I rise today to address my colleagues concerning the current rail strike and impending rail strikes.

An extended rail shutdown could be extremely costly to Iowa business and industry. According to the Iowa Department of Transportation, the loss could run into the millions of dollars every day. A walkout would directly affect five major rail freight carriers in Iowa.

My position concerning potential congressional involvement in these types of labor-management disputes has been consistent. These questions are best decided in the give-and-take of labor-management negotiations. However, should it become a question of national urgency, I would be prepared to support congressional intervention.

And we are faced with a potential national emergency.

In many ways, this is simply a question of jobs. As our Nation's economy is finally getting on its feet after the recession, this would be a horrible blow. Many, many Iowans could be thrown out of work.

I simply cannot stand by and let this occur.

I do not maintain that management is right in this dispute. I do not maintain that labor is right.

I do maintain, however, that many Iowans would suffer should a strike occur. It is for this reason that I urge all of my colleagues in the Senate and the House to move to resolve this matter as soon as possible. This action should take place today.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maine [Mr. COHEN].

COUNTERING INDUSTRIAL ESPIONAGE IN THE POST-COLD-WAR ERA

Mr. COHEN. Mr. President, when Russian President Boris Yeltsin addressed a joint session of Congress last week, embracing the principles of democracy and free markets, the final icecaps of the cold war melted, releasing in all of us a sense of joy and exhilaration.

But even as we welcome these dramatic improvements, let us not be lulled into complacency. Our bipolar world has fragmented into a kaleidoscope of parochial interests, alliances, and threats that can change rapidly and unpredictably. Our cold war scope—formerly fixed on one target—is not going to serve us in today's complex geopolitical landscape.

In the economic sphere especially, the competition is fierce and the challenges severe. Our competitors—even our closest allies—do not always play by the rules. Indicative of this is the alarming rate at which foreign governments are spying on U.S. businesses and economic interests. According to the Director of Central Intelligence, Bob Gates, at least 20 nations from Europe, Asia, the Middle East, and Latin America are involved in intelligence activities that are detrimental to our economic interests.

Some of the specific cases are shocking. According to a recent New York Times article by Peter Schweizer, "between 1987 and 1989, French intelligence planted moles in several U.S. companies, including IBM. In the fall of 1991, a French intelligence team attempted to steal 'stealth' technology from Lockheed." Other accounts report that French intelligence units conduct 10 to 15 break-ins every day at large hotels in Paris to copy documents that belong to businessmen, journalists, and diplomats. According to other accounts, the French have been hiding listening devices on Air France flights in order to pick up useful economic information from business travelers.

The French are not alone among our friends who spy on us. Two months ago, rocket scientist Ronald Hoffman began serving a prison sentence for selling strategic defense initiative and rocketry technology for more than $700,000 to four Japanese companies. According to Schweizer, these four companies have vowed to capture 20 percent of the aerospace market by the year 2000.

And in 1991, IBM lost several important European bids after company officials discovered that German intelligence had been eavesdropping on its telecommunications and passing stolen information on to German companies.

These crimes by our friends not only betray our friendship; they cost America jobs. According to IBM Vice President Marshall Phelps, IBM has suffered losses in the billions as a result of espionage being carried out against the company. Foreign intelligence agents are draining our country of its ideas like sap from a tree. For a country that professes to be a fountainhead of scientific knowledge, nothing could be more damaging.

Only recently has our Government begun to look beyond its cold war blinders to respond to this growing threat. We have taken steps to improve our defenses against economic espionage, and the Federal Bureau of Investigation and Central Intelligence Agency deserve credit for stepping up their efforts in this area.

But in many respects we still seem to look out at the world through a diplomatic greenhouse, afraid to lodge criticism at our allies for fear of a return volley that might shatter one of the delicate panes.

There is something to be said for diplomatic cordiality, but we must never be afraid to take a firm stand when our cause is just. We did not win the cold war by appeasing a bankrupt ideology, and we will not win on the economic battlefield by ignoring friends engaging in theft. We must not let our reluctance to offend outweigh our responsibility to defend our Nation's vital interests.

I hope my colleagues will join me in examining this issue in more detail in the months ahead. While we can improve our defenses, it is clear that foreign countries will not be deterred from engaging in economic espionage as long as the rewards outweigh the punishment. It is my hope that the Intelligence Committee and other committees will hold hearings, consult Government and business leaders, and introduce legislation that will enhance our tools to attack this problem head on so that we may protect our Nation's greatest resource—the ingenuity and intellectual resources of the American people.

Mr. President, I ask unanimous consent that I be allowed to insert two articles in the RECORD.

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

[From the New York Times, June 23, 1992]

OUR THIEVING ALLIES

(By Peter Schweizer)

McLean, VA—If most Americans thought the end of the cold war meant an end to spying, they should think again. Industrial espionage against the U.S. by its friends and allies is on the rise.

John Davitt, the former director of Internal security at the Justice Department, says

our allies are increasingly using spy methods "every bit as sophisticated as those of the K.G.B. in order to gain access to American high-tech secrets."

Among the countries most often cited by U.S. intelligence agencies as seeking technological and financial secrets are France, Germany, Japan, South Korea and Israel.

Pierre Marion, the former director of French intelligence, told me this year that in 1981—at the request of President François Mitterrand—he established a branch to spy on U.S. high-technology companies. The branch still exists.

In April, Ronald Hoffman, a rocket scientist in California, was sent to prison for selling Strategic Defense Initiative and rocketry technology to four Japanese companies for more than $700,000 between 1986 and 1990. The four companies, Mitsubishi, Nissan, Ishiawaji-Harima and Toshiba, have pledged to capture 20 percent of the aerospace market by the year 2000.

During the summer of 1991, I.B.M. accused the German intelligence service of eavesdropping on its telecommunications and passing stolen information to German companies. I.B.M. lost several important bids in Europe around this time, possibly because of inside knowledge obtained by its German competitors.

Last year, an Illinois-based aeronautics company, Recon Optical, accused the Israeli Air Force of espionage. An independent arbitration board in New York sided with Recon, and the Israeli Government quietly agreed to pay the company for damages.

Between 1987 and 1989, French intelligence planted moles in several U.S. companies, including I.B.M. In the fall of 1991, a French intelligence team attempted to steal "stealth" technology from Lockheed. Only the Federal Bureau of Investigation's persistence ended these operations.

U.S. trade negotiators complain that our trading partners are increasingly targeting them for "friendly" espionage in the hopes of getting a peek at the U.S. negotiating position. One former negotiator claims he repeatedly found electronic bugs in his room whenever he visited Toyko.

During the cold war, the U.S. was reluctant to discuss friendly spies. "We tended to look the other way," says Herb Meyer, a former special assistant to the Director of Central Intelligence, "they were taking advantage of us while we felt we had a larger interest." But that attitude is changing.

The F.B.I.'s cold war "country criteria list" of enemy countries whose personnel in the U.S. needed close scrutiny was recently replaced by the "New Security Threat List" that encourages bureau agents to go after any intelligence agent, foe or friend, who conducts espionage operations in the U.S. or against U.S. interests overseas.

Although the C.I.A. Director, Robert Gates, has pledged that the U.S. "will not get into the industrial espionage business," his Science and Technology Advisory Panel is quietly discussing the topic. However, Federal economic espionage is unlikely to happen. Because American business culture is dead set against governmental industrial planning, the C.I.A. would not be free to pass any secrets it might obtain to one American company at the expense of its domestic competitors.

The most sensible recourse for the U.S. is to make economic espionage costly to its practitioners. Currently, they face no legal penalties. If a foreign company or country gets caught, it should face stiff, mandatory trade sanctions. As political allies are increasingly viewed as economic rivals, the U.S. must come to grips with this facet of the post-cold-war world.

[From Time magazine, May 28, 1990]

WHEN "FRIENDS" BECOME MOLES

(By Jay Peterzell)

The dangers of Soviet military espionage may be receding, but U.S. security officials are awakening to a spy threat from a different quarter: America's allies. According to U.S. officials, several foreign governments are employing their spy networks to purloin business secrets and give them to private industry. In a case brought to light last week in the French newsmagazine L'Express, U.S. agents found evidence late last year that the French intelligence service Direction Générale de la Sécurité Extérieure had recruited spies in the European branches of IBM, Texas Instruments and other U.S. electronics companies. American officials say DGSE was passing along secrets involving research and marketing to Compagnie des Machines Bull, the struggling computer maker largely owned by the French government.

A joint team of FBI and CIA officials journeyed to Paris to inform the French government that the scheme had been uncovered, and the Gallic moles were promptly fired from the U.S. companies. Bull, which is competing desperately with American rivals for market share in Europe, denies any relationship with DGSE. Last year the company made a legitimate acquisition of U.S. technology when it agreed to purchase Zenith's computer division for $496 million.

U.S. officials say the spy ring was part of a major espionage program run against foreign business executives since the late 1960s by Service 7 of French intelligence. Besides infiltrating American companies, the operation routinely intercepts electronic messages sent by foreign firms. "There's no question that they have been spying on IBM's transatlantic communications and handing the information to Bull for years," charges Robert Courtney, a former IBM security official who advises companies on counterespionage techniques.

Service 7 also conducts an estimated ten to 15 break-ins every day at large hotels in Paris to copy documents left in the rooms by visiting businessmen, journalists and diplomats. These "bag operations" first came to the attention of the U.S. Government in the mid-1980s. One U.S. executive told officials about a trip to Paris during which he had made handwritten notes in the margin of one of his memos. While negotiating a deal with a French businessman, he noticed that the Frenchman had a photocopy of the memo, handwritten notes and all. Asked how he got it, the Parisian sheepishly admitted that a French government official had given it to him. Because of such incidents, U.S. officials began a quiet effort to warn American companies about the need to take special precautions when operating in France.

While France can be blatant, it is by no means unique. "A number of nations friendly to the U.S. have engaged in industrial espionage, collecting information with their intelligence services to support private industry," says Oliver Revell, the FBI's associate deputy director in charge of investigations. Those countries include Britain, West Germany, the Netherlands and Belgium, according to Courtney. The consultant has developed a few tricks for gauging whether foreign spies are eavesdropping on his corporate clients. In one scheme, he instructs his client to transmit a fake cable informing its European office of a price increase. If the client's competitor in that country boosts its price to the level mentioned in the cable, the jig is up. "You just spoof 'em," Courtney says.

Most U.S. corporations could protect their sensitive communications simply by sending them in code. But many companies are reluctant to do this, even though the cost and inconvenience might be minor. One reason may be that the effects of spying are largely invisible. All the company sees is that it has failed to win a contract or two. Meanwhile, its competitor may have clandestinely learned all about its marketing plans, its negotiating strategies and its manufacturing secrets. "American businesses are not really up against some little competitor," observes Noel Machette, a former National Security Agency official who heads a private security firm near Washington. "They're up against the whole intelligence apparatus of other countries. And they're getting their clocks cleaned."

As U.S. national-security planners increasingly focus on American competitiveness, many of them fear that U.S. corporations are operating at a severe disadvantage. America's tradition of keeping Government and business separate tends to minimize opportunities for the kind of intelligence sharing that often occurs in Europe. "I made a big effort to get the intelligence community to support U.S. businesses," recalls Admiral Stansfield Turner, who headed the CIA in the late 1970s. "I was told by CIA professionals that this was not national security." Moreover, it would be hard for the Government to provide information to one U.S. firm and not to another. Yet if sensitive intelligence is shared too widely, it cannot be protected.

One thing the U.S. Government can do is make sure business leaders understand the threat. When the late Walter Deeley was a deputy director at NSA in the early 1980s, he began a hush-hush program in which executives were given clearances and told when foreign intelligence agencies were stealing their secrets. "He considered it a real crusade," a former intelligence official says. "If American business leaders could see some of these intelligence reports, I think they would go bananas and put a lot more effort into protecting their communications."

"It may not be possible to level the playing field [with foreign companies] by sharing intelligence directly" with their U.S. rivals, observes deputy White House science adviser Michelle Van Cleave. "But it should be possible to button up our secrets." That argues for much more use of secret-keeping techniques and far less naiveté on the part of American business as it enters the spy-vs.-spy era of the 1990s.

Mr. COHEN. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROBB). Without objection, it is so ordered.

NATIONAL WIRELESS TELECOMMUNICATIONS MONTH

Mr. BURNS. Mr. President, June has been designated "National Wireless

Telecommunications Month" by the cellular industry, in recognition of the milestone of cellular service reaching every market in America. This accomplishment comes just 8½ years after the first system was turned on, and I would like to take a moment to reflect on what a remarkable achievement this is.

Starting with the activation of the first system in Chicago in October 1983, cellular has grown into a multibillion-dollar service industry in slightly more than 3,000 days. The last of 734 markets in this country saw a system turn on a few days ago, meaning the industry was turning on a market every 4 days.

Never before has such an advanced telecommunications service been rolled out to all of America, not just the big city.

This accomplishment becomes even more remarkable if one considers the long and sorry history of legal and regulatory barriers and obstacles which the cellular industry faced in providing new telecommunications service to the American public. On several occasions, the FCC received thousands of applications for individual markets, delaying the process even more.

Combine these events with the entry of speculators, whose only interest in participating in the cellular lottery was the acquisition of a license they could immediately sell to the highest bidder, the fact this country has nationwide service in so short a period is all the more remarkable. Indeed, I think astonishing is an even better word; just imagine how quickly this industry could have moved with a clear regulatory and legal path. We should not forget this last point when considering the great potential of the next generation of wireless telecommunications services—personal communications services [PCS].

For this reason, Mr. President, I believe it is appropriate that the cellular industry be congratulated for its perseverance and commitment on the occasion of this month's special observance.

THE AUDIO HOME RECORDING ACT

Mr. BURNS. Mr. President, I rise today to express my strong support, as an original cosponsor, for legislation passed last week, S. 1623, the Audio Home Recording Act. This legislation represents a historic compromise between the music and consumer electronics industries and demonstrates private sector ingenuity and the progress that can be made when private sector interests work together to reach a solution.

With enactment of this legislation, everyone in the marketplace will benefit. First, consumers will finally have access to some of the most exciting and innovative technology that the marketplace has to offer—and the music to go along with it.

This bill will also provide a much-needed shot in the arm for America's economy. Consumer electronics companies can get back to the business of making and marketing digital audio equipment and retail stores can now stock the shelves with new digital audio recorders. And songwriters, music publishers, and record companies can continue to produce the world's most popular music, American music, on new digital formats.

Very simply, Mr. President, this bill will create jobs and boost our economy. Several record companies have already announced major business expansions in order to manufacture and produce music on the new digital formats. And, Tandy Corp., the American licensee for digital compact cassette, will be producing this new technology and digital blank medium here in the United States. This translates into more jobs, an improved economy, and a favorable impact on America's balance of trade.

I thank my colleagues for their support of this important legislation and, in particular, applaud the leadership of Senator DECONCINI.

TODAY'S "BOXSCORE" OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, Senator HELMS is in North Carolina recuperating following heart surgery, and he has asked me to submit for the RECORD each day the Senate is in session what the Senator calls the "Congressional Irresponsibility Boxscore."

The information is provided to me by the staff of Senator HELMS. The Senator from North Carolina instituted this daily report on February 26.

The Federal debt run up by the U.S. Congress stood at $3,935,961,408,493.11, as of the close of business on Monday, June 22, 1992.

On a per capita basis, every man, woman, and child owes $15,323.43—thanks to the big spenders in Congress for the past half century. Paying the interest on this massive debt, averaged out, amounts to $1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab, to pay the interest alone, comes to $4,511.40 per year.

WE'RE PROUD OF THE BLAZERS

Mr. HATFIELD. Mr. President, a few weeks ago I stood in this Chamber and proclaimed my sincere belief that the Portland Trail Blazers would be crowned champions of the National Basketball Association. Alas, as the Nation knows, this did not come to pass. Portland fell to the Chicago Bulls in an exciting six-game series.

It is clear to anyone who watched the series that the Bulls were a superior team to the Blazers; or at least they were for the six games this season that counted the most.

I have had an opportunity to think about the outcome of the series in recent days and have tried to draw conclusions about why the Blazers were not successful against the Bulls. Granted, the Bulls have Michael Jordan, the greatest player in the world; granted, the Bulls have Scottie Pippen, another Olympian; granted, John Paxon's shooting ability certainly was enhanced by the fact that his older brother, Jim, once played for the Blazers; granted, they played great team defense and shot much better than the Blazers. But there must be other reasons why the Bulls were successful.

Mr. President, the world has not seen the last of great basketball in Portland this year. In addition to the NBA draft being held there on June 24, the Basketball Tournament of the Americas will take place in Portland June 27 to July 5. That will be the debut of the U.S. Olympic team, and there is certain to be much excitement during that tournament. For 2 weeks, Portland will once again become the mecca of the basketball world.

The Portland Trail Blazers had a great season; the loss of the championship should not be seen as failure, only disappointment. After all, 25 other NBA teams wished they could have taken Portland's place and played for the NBA championship. However, it is inevitable that there can be only one champion, and the Bulls retained that title. They were and are a better basketball team.

Which brings me, Mr. President, back to consideration of why the Bulls won. It occurs to me that there must be an Oregon-connected reason for their success. Was it sheer talent alone, I think not. If it is not talent alone, it must be something else; the shoes; it must be the shoes. That's it, Mr. President, the Bulls best players, Jordan and Pippen, wear shoes from an Oregon-based company. I knew there had to be an Oregon connection there somewhere.

Mr. President, I congratulate the Chicago Bulls on being the best basketball team in America, but I also congratulate the Portland Trailblazers and all of their many fans on a wonderful year. It was a great year.

INDONESIAN ATROCITIES CONTINUE IN EAST TIMOR

Mr. PELL. Mr. President, this afternoon the Foreign Relations Committee's Subcommittee on East Asian and Pacific Affairs will meet to consider the nomination of Ambassador Robert L. Barry to be Ambassador to Indonesia.

Ambassador Barry is a distinguished Foreign Service Officer with a strong record in European affairs. Formerly, he served as Special Adviser for East European Assistance to the Deputy Secretary of State. This will be his first posting to Asia, and Indonesia is a difficult posting.

I hope Ambassador Barry will take with him an understanding of the depth of American outrage about Indonesia's repression of the East Timorese.

Since the massacre last November by Indonesian military forces of at least 75, but probably significantly more, East Timorese who were peacefully demonstrating in Dili, East Timor, relations between the United States and Indonesia have soured. They will continue to worsen in my view as long as Indonesia refuses to recognize the legitimate rights of the East Timorese people.

Last April I was in Indonesia. I asked President Suharto if I could go to East Timor. He refused my request as he has refused the request of international human rights groups and foreign journalists to visit that occupied island.

In the meantime, the Indonesian Government has engaged in an effort to cover up the extent of the massacre while continuing to repress the East Timorese people. I would like to enter into the RECORD a report issued by Asia Watch yesterday entitled "East Timor: The Courts-Martial" that clearly outlines the extent of the Indonesian Government's effort to prevent the world from observing their tyranny.

After the November massacre in which scores died and disappeared, the Indonesian Government arrested the demonstrators. Thirteen are being tried in Dili, five in Indonesia's capital of Jakarta. Those shot at the shootees were arrested on charges of subversion and "inciting hatred." Sentences in many of these cases have already been handed down and they represent in my view an egregious miscarriage of justice: Two East Timorese involved in a demonstration in Jakarta following the November 12 massacre were sentenced to 9 and 10 years in prison. The other three received prison terms from 6 to 30 months.

Three of the thirteen East Timorese jailed in Dili have been sentenced. One was given 6 years, 10 months. Another was sentenced to 5 years and 8 months, and a third was imprisoned yesterday for 15 years.

These were not the people killing. These were the innocents being killed.

What did Indonesia do about the shooters? Nine soldiers and one police officer were tried. The nine were not charged with murder but accused of disobeying orders. The one police officer was charged with assault.

What were their sentences?

They were given from 8 to 18 months.

The United States intends to give Indonesia over $59 million in economic and military assistance in fiscal year 1992. Having just observed the quality of Indonesian justice, I believe we need to review seriously the direction of our aid program.

Recently, Senator WALLOP, Senator LEAHY, Senator DURENBERGER, Senator KERRY, and myself wrote Secretary Baker requesting that the United States make human rights a strong condition of international aid to Indonesia when international donors meet in July under World Bank auspices. I have also written to the U.N. Secretary-general requesting his direct intervention in this conflict to aid its resolution.

I will continue to do all that I can to ensure that this issue is not neglected despite the Indonesian Government's best efforts to keep it obscured from international attention. I trust that Ambassador Barry will convey these strong sentiments to the Indonesian Government.

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

[From Asia Watch, June 23, 1992]

EAST TIMOR: THE COURTS-MARTIAL

Between May 29 and June 6, 1992, nine soldiers and one policeman were tried by military or police courts in Bali for their role in the massacre in East Timor on November 12, 1991 when the Indonesian army opened fire on a crowd of unarmed demonstrators. The trials were open to diplomatic observers and the press; the sentences were light, ranging from eight to eighteen months. The courts-martial do not portray the Indonesian army in a favorable light, but neither do they pierce the secrecy surrounding how the shooting started or what happened to the bodies of those killed. The glimpse they offer into military behavior on November 12 is a carefully managed one, which serves to strengthen the "official version" of events, but even the Indonesian press is openly skeptical of that version. As far as the Indonesian government is concerned, the case against the military is now closed. Asia Watch calls on the international community to continue to press the Indonesian government for a full accounting of military actions before, during and after the demonstration.

BACKGROUND

On November 12, Indonesian troops turned their guns on thousands of East Timorese who had marched from a church on the waterfront of Dili, the capital, to a cemetery in the Santa Cruz area of the city where a supporter of East Timorese independence, Sebastiao Gomes, had been buried two weeks earlier.[1] The Indonesian government initially maintained that only 19 had died; a government commission later raised the death toll to "about 50"; 90 were reported missing; and the number of wounded "exceeded 91."[2] Unofficial estimates put the death toll well over 100, with many of the victims dying of beatings or other abuse suffered after the shooting. To this day, no one knows what happened to the missing, or to the bodies of those killed; only 19 graves were ever officially found.

The courts-martial in Bali of soldiers implicated in the massacre appear to represent the final chapter in the Indonesian government's moves to account for the killings, the last in a series of measures designed to defuse international outrage, but which also strengthened President Suharto's image as a master manipulator and exposed rifts in the Indonesian army. None of the steps taken by the Government appear to have been aimed primarily at uncovering the truth.

The first major step was President Suharto's appointment of a National Commission of Inquiry (Komisi Penyelidik Nasional or KPN) on November 18. Members of the commission were hampered by military obstructionism, the fear of witnesses to come forward to testify and the team's own lack of independence. On December 26, they produced a short "advance report" which blamed the victims but criticized army excesses. The report noted three different versions of how the troops opened fire: troops in anti-riot formation aimed directly into the crowd; shooting started in self-defense after fighting erupted; and the shooting came from unorganized security forces who were neither in proper formation nor proper uniform. It made no attempt to assess the relative validity of the three versions.[3]

The second step was the highly publicized sacking of two senior military commanders on December 28, Major General Sintong Panjaitan, commander of the KODAM IX/Udayana regional military command based in Bali, and Brigadier General Rudolf Warouw, commander of operations (Pangkolakops) in East Timor.

The third step was President Suharto's instruction to the Chief of Staff of the Indonesian Army, Edy Sudradjat, to appoint a Council of Military Honor (*Dewan Kehormatan Militer*) to investigate military behavior on November 12 and recommend appropriate disciplinary action. The Council was in operation from January 2 to February 20, 1992 and on February 27, it issued a press release, announcing that six officers had been disciplined, including three dismissed from the army altogether, two removed from their jobs in the army bureaucracy but kept on active duty, and one temporarily reassigned but kept on active duty.

Although the names of the officers were never made public, the March 14 issue of *Editor* reported that the three "honorably discharged" were probably General Warouw, Colonel Gatot Purwanto, assistant to Warouw for intelligence, and the Sector C commander responsible for Dili, Colonel Binsar Aruan. The officer temporarily removed from his position may be Sintong Panjaitan, now at Harvard University to study business.

The Council release said that eight others, including our officers, would be prosecuted, according to the press release, and five other officers would be further investigated.[4] In fact, the entire Operations Command headed by Warouw was purged, with every single one of the six assistants transferred out of East Timor after the massacre. The commanders of the district-level KODIM and the sub-regional KOREM were also moved out.[5]

The government's failure to move forward with the prosecutions promised in the Council's press release became a new focus of international criticism, particularly as dozens of East Timorese independence supporters were behind bars in Dili and Jakarta, some of them facing subversion charges, for participating in non-violent demonstrations. Most had no access to friends, family or lawyers.[6]

A military spokesman promised in early May that the courts-martial would take place before Indonesia's quinquennial exercise in heavily-controlled parliamentary elections, scheduled for June 9. When they finally began on May 29, the campaign domestically and events in Yugoslavia and Thailand internationally diverted public attention. The verdicts came as something of an

Footnotes at end of article

anticlimax, in part because the country was otherwise occupied, but also because all those tried were junior, and their testimony contained few revelations.

THE COURTS-MARTIAL

The nine soldiers and one police officer prosecuted can be divided into three groups: five enlisted men who were all based at the KODIM and who allegedly on their own fired on demonstrators; officers associated with Battalion 303 whom the KODIM commander sent to the demonstration and who failed to prevent their men from firing; and two men accused of assaulting wounded demonstrators. The nine soldiers were accused of violating Article 103 of the military code by disobeying or exceeding orders; the police corporal was charged with assault.

All five of the enlisted men tried had been stationed at KODIM 1627. Three of them, First Sergeants Udin Syukur and Aloysius Rani and Master Sergeant Petrus Saul Mada, all testified at their trials that they had been ordered by the KODIM commander, Lieutenant Colonel Wahyu Hidayat, not to leave the KODIM as long as the demonstration was underway, but they disobeyed after an Indonesian officer, Major Gerhan Lantara, and an East Timorese soldier, Private Dominggus, were brought to the KODIM, bleeding from their wounds after having been stabbed by demonstrators. (The stabbing incident occurred early on in what was otherwise a non-violent march.)

Udin took a G-3 rifle; when he returned to the KODIM, it was missing two bullets. He said he fired the rifle after one of the demonstrators threatened him with a knife.[7] Sergeant Rani said he grabbed a weapon and went to the Santa Cruz cemetery by taxi, where he fired on a demonstrator carrying a Fretilin flag. He told the court he had been overcome with emotion after seeing the two wounded soldiers at the KODIM. All three sergeants said they rushed out of the KODIM so quickly that they did not have time to put on their uniforms and arrived at the cemetery in a state of partial dress.

Privates Mateus Maya and Afonso de Jesus were East Timorese stationed at the KODIM who were assigned to drive Major Gerhan to the hospital. They were never at the Santa Cruz cemetery but allegedly fired on demonstrators en route to the hospital.

The five enlisted men were tried in Rindam (Resimen Induk Daerah Militer) Udayana in Tabanan, Bali (see Appendix 1).

The second group consists of three second lieutenants: Sugiman Mursanib (spelled Mursanip in the court documents); John Harlan Aritonang and Handrianus Eddy Sunaryo. Mursanib, who joined the army in 1965, was the head of the social and political section of the KODIM (Kasi Sospol), and under normal circumstances, reported directly to Hidayat, the KODIM commander. The night before the massacre, he had been out all night on "sweeps." He was back at the KODIM in the morning, without having slept, and it was only some 10 minutes after the demonstrators had passed by the KODIM headquarters that Colonel Hidayat ordered him to lead a three-platoon force company totalling 72 men in all from the KODIM to follow and disperse the marchers.[8] Aritonang, who previously had been decorated for capturing a Fretilin leader, Maukalo, and Sunaryo led platoons II and III respectively from Battalion 303; the third platoon was from Brimob 5486.

Without putting on his uniform, Mursanib rushed out; one fault that was cited in his trial was that while the Brimob unit, presumably with some training in riot control, was at the front when the force left the KODIM, Mursanib moved the two army platoons to the front near the cemetery.

It was at the cemetery that Mursanib gave the orders, supposedly to Lieutenant Aritonang, to advance. He in turn was receiving orders via radio from Colonel Binsar Aruan, the now-sacked commander for the Dili area. Both Aritonang and Sunaryo gave orders to their troops to advance, and when they heard firing from other forces at the cemetery, they opened fire too. Aritonang testified that he tried to prevent his men from firing but to no avail. It was later found that six men from his platoon had fired 60 bullets. Sunaryo was faulted for not having recognized that the order from Mursanib was only meant for Aritonang's platoon. Five of his men also opened fire and shot 33 bullets.[9] Aritonang, according to one press account, was cited for failing to give the orders to his troops to get in formation.[10] He was also charged with failing to control his subordinates, as were Sunaryo and Mursanib. The Brimob platoon leader, First Lieutenant (Police) Rudolf A. Rodjo, was not charged.

All three officers in the second group were tried by the Military Court III-4 in Denpasar, Bali.

Two men make up the last group, Lieutenant Yohanes Alexander Penpada, 48, the deputy intelligence officer for KOREM 164, was sentenced to eight months for disobeying orders. He had been assigned to report on how the demonstration developed, but after he learned about the stabbing of Gerhan Lantara, his superior, he testified that he got a ride back to the KOREM and went from there to his home. He picked up his pistol and went back to the cemetery where injured demonstrators were still lying. He said he slapped one on the face, but he denied firing the pistol. Penpada was sentenced to eight months by Military Court III-4.

Police Corporal Marthin Alau, 35, the man who slashed the ear of a demonstrator, has been named in an eyewitness report as having deliberately killed two other demonstrators. Those killings did not come up at his trial. Alau told the court members of his family had been killed by Fretilin. He was sentenced to 17 months in a trial that took place in the regional police headquarters in Bali.

Penpada and Alau were the only two persons indicted for involvement in attacks on demonstrators that took place after the shootings: the KPN report indicated that of the 91 wounded acknowledged as having been taken to the Wira Husada Military hospital, 49 were injured by stabbing or blunt instruments.

WHAT DO THE COURTS-MARTIAL REVEAL?

Taken together, the trial testimonies paint a picture of a sloppy, ill-prepared, ill-informed, poorly disciplined and poorly led army, with some soldiers reacting spontaneously to the stabbing of their colleagues and other apparently panicking amid sounds of shooting at the cemetery.

It is not a pretty picture of the Indonesian armed forces, but it is also a partial and misleading one. One of the eyewitnesses to the massacre testified that troops in dark brown uniforms opened fire methodically. Those uniforms would have been Brimob police, but no Brimob member was indicted. The soldiers from the Battalion 303 platoons testified to firing taking place before and after they themselves stopped shooting. The company led by Lieutenant Mursanib appears to have been one of the two companies sent as reinforcements after it became clear that the demonstration was larger than anyone expected; its dispatch to the scene was clearly a last-minute undertaking. But which troops were already there when Mursanib's men arrived, and why have they not been named or indicted? The June 13 issues of two of the leading newsweeklies in Jakarta, *Tempo* and *Editor* openly raise the question of who the unnamed "uncontrolled forces" (*pasukan liar*) were which were at Santa Cruz when Mursanib and his men arrived.

Even if some spontaneous firing took place after the initial attack, there was no spontaneity about the cover-up afterward, and no new information was produced by the trials about who gave orders to dispose of bodies from Santa Cruz and from the morgue at the military hospital.

The "spontaneous reaction" theory is only one of a number of possible ways of explaining the massacre and not necessarily the most plausible. This is not to assert that the ten men lied; even assuming their testimony was the unvarnished truth, they represent only a very small part of a very complex whole. The question arises as to how these men were singled out for prosecution.

If, as some observers believe, the ten men were tried because they were named in the KPN report (and Asia Watch cannot confirm that they were, since the full report has not been made public), two facts must be kept in mind: most East Timorese were terrified of giving testimony to the KPN, and the local military tried to obstruct the team's investigation. Individuals would have been identified either because East Timorese were willing to name them; because the local military wanted them prosecuted; or because their involvement was too obvious to be ignored.

Shortly after the massacre, Asia Watch obtained an eyewitness account of the stabbing of Private Dominggus, an East Timorese whom a group of demonstrators regarded as having betrayed his own people by serving with the Indonesian army. A similar animosity might have made witnesses testify to the involvement of Mateus Maya, Afonso de Jesus and Marthin Pereira Alau.

Battalion 303 came in for close scrutiny immediately after the massacre and was the first ordered transferred out of Dili, in late November 1991. Colonel Binsar Aruan, with whom the convicted Lieutenant Mursanib was in constant communication at the cemetery, was one of the officers sacked in the aftermath of the killings. Given the prominent presence of 303 soldiers at Santa Cruz, a few key indictments may have been inevitable—and Mursanib was clearly visible in the video footage shown around the world.

The three sergeants at the KODIM who rushed out half-dressed after Gerhan Lantara was brought in bleeding, and the behavior of Lieutenant Penpada in reaction to the wounding of his superior are the core of the spontaneity theory.

A different theory has been put forward by the editors of *Indonesia*, the journal published by Cornell University. In the April 1992 issue, the editors suggest that a local mafia had been established by middle-ranking Indonesian officers who had no real prospect of promotion and every reason to milk East Timor while they could through business deals, speculation and racketeering.[11] The operational commander for East Timor at the time of the massacre, Brigadier General Rudolf Warouw, had embarked on a campaign to clean up corruption in the military shortly after he took office in December 1989, angering the mafia bosses in the process, according to the Cornell analysis. These bosses, working with local Apodeti (pro-inte-

gration) supporters had as a major goal the downfall of Warouw and the popular governor of East Timor who supported him, Mario Carrascalao. A key figure in this operation would have been Lieutenant Colonel Prabowo, President Suharto's son-in-law, whose links to Apodeti were well-established. According to this theory, these middle officers working with Apodeti would have had an interest in using the demonstration on November 12 to discredit Warouw and thus leave their business operations intact. Governor Carrascalao himself has suggested that the demonstration was the result of collaboration between these two forces, but both the demonstration and the response, domestic and international, were beyond what the plotters could have imagined. The Cornell analysis stresses the significance of the mass purge of the "all influential officers in the East Timor apparatus, at the Korem level and within Dili itself, striking right at the heart of the mafia . . ."[12]

The prominent role of the KODIM and the indictment of the East Timorese might lend support to this theory, but a more rigorous investigation of KODIM and KOREM commanders, Hidayat and Colonel J.P. Sepang would be necessary to test it. Both have been replaced since the massacre; neither appeared as witnesses at the courts-martial, although Hidayat submitted written testimony.

THE CHARGES AND VERDICTS

The nature of the charges suggest that the investigations of the men involved were not thorough. The indicted men served as witnesses in each other's cases; there were no civilian witnesses called, except in the case of Corporal Alau where the victim whose ear had been slashed appeared at the trial. Even given the reluctance to testify for fear of reprisals, surely a few of the 49 wounded by stabbing or clubbing and afterwards brought to the military hospital might have been able to identify their attackers.

In preparing this report, Asia Watch has not had access to the Indonesian military code. But a comparative perspective from the United States may be instructive. To bring a charge of murder or manslaughter against a soldier in the U.S., there would have to be evidence that the defendant deliberately or through negligence killed a particular victim. Given the way the demonstrators were massed and the lack of witnesses willing to testify, even if the military tribunals had been fair, it might have been difficult to match victims to perpetrators. It is also true that if a platoon leader had been accused of failing to control his subordinates, it is possible that charges would not have been brought against the subordinates.

But a host of lesser charges, ranging from assault with a dangerous weapon to willfully discharging a firearm, could have been brought against soldiers who fired into a crowd in such a way as to have been likely to produce bodily injury or death. If the three non-East Timorese enlisted men who allegedly rushed to the cemetery after seeing Major Lantara wounded had urged each other to go, a charge of conspiracy could have been brought in connection with one of the charges mentioned above. In the U.S., a charge of assault with a deadly weapon in the context of a large demonstration with a perceived threat of violence against security forces could produce a sentence of four years; the maximum would be eight years. Such extrapolations to a different legal system in a radically different political context have admittedly only limited use, but the outrage against the light sentences of eight to eighteen months seems justified. It is also worth noting that no dishonorable discharges would take place in the U.S. without a court-martial. The peremptory dismissal of senior officers without any kind of judicial procedure may be another way of suppressing evidence.

The leniency of the sentences also raises questions about how far the testimony of those wounded was sought in the prosecutions of the military or whether the prosecution made any attempt to establish a linkage between the pro-integrationists who incited a brawl in front of the Motael Church on October 28 and the shooting that occurred in Santa Cruz on November 12. The fact that the ten men indicted lend credence to the "spontaneous reaction" theory may reflect the lack of political will on the part of the military prosecutors (*oditur*) to dig deeper.

TRIALS OF EAST TIMORESE CIVILIANS

The sentences given the soldiers are inevitably being compared with those handed down to East Timorese civilians in Dili and Jakarta. There are 13 trials underway in Dili, five in connection with the Motael Church incident of October 28 and eight in connection with the November 12 demonstration. As of mid-June, only two verdicts had been handed down. Juvencio de Jesus Martins, 30, received a sentence of six years, 10 months for taking part in clandestine meetings of resistance supporters to prepare for the visit of a Portuguese parliamentary delegation. Filomeno da Silva Pereira, 34, was accused of taking part in the same meetings and reproducing a cassette of a speech by East Timorese guerrilla leader Xanana Gusmao. He was given a term of five years and eight months in prison. The sentences requested in the other cases ranged from four years to life.

In a case still in process, Carlos dos Santos Lemos, aged 31, is facing a ten-year sentence for taking photographs during the November 12 demonstration, allegedly on assignment as a journalist for Fretilin. Dos Santos intended to send the photographs to Australia, Portugal and Japan, according to the prosecutor, in order to attract support for the independence movement. Dos Santos is also accused of being a member of the Freilin Executive Committee and as such, taking part in underground meetings to plan the November 12 demonstration. He is being defended by court-appointed lawyer, Ponco Atmono, S.H., a Dili resident.

Five other East Timorese accused of planning or taking part in a demonstration in Jakarta on November 19 to protest the Dili massacre a week earlier already have been sentenced. Two were tried on subversion charges and received sentences of nine and ten years respectively. Three others who took part in the demonstration received terms ranging from six to thirty months. A complete list of those on trial and the sentences sought by the prosecution appears as Appendix 2.

The government's xenophobia and determination to punish those seen as having fuelled the international outcry, evident in the dos Santos case, was also evident in the trials of Fernando Araujo and Joan Freitas da Camara in Jakarta. While both were accused of contacts with Fretilin through the East Timorese students' organization, RENETIL, the judges focused on their contacts with foreign organizations and the fact that they had received donations of money from Australia and England. An Asia Watch report on the Jakarta trials is forthcoming.

CONCLUSIONS

The courts-martial help give the Indonesian government an appearance of even-handedness. Indeed, journalists in Jakarta were speculating in February, just before the Council of Military Honor's press release was issued, that an equal number of civilians and military would be prosecuted. They were right: the five students in Jakarta and eight resistance supporters in Dili due for trial in connection with the November 12 massacre and subsequent protests marched the eight officers and men scheduled for indictment and five others under investigation noted in the Council release. (The police corporal and one of the two East Timorese privates were apparently not included in the Council's formulation.)

But justice is not the same as even-handedness. The fact that any investigation and any courts-martial at all took place is a step forward for the Indonesian government and should be recognized as such, but there has been no real accounting for the deaths and disappearances that took place on November 12. None of those convicted in late May and early June started the shooting; none organized the disposal of bodies or planned the cover-up which stressed the factor of spontaneity. It is difficult to avoid the conclusion that the courts-martial were stage-managed for international consumption, particularly when documents which might shed further light on events in Dili, such as the full KPN report and the full report of the Council of Military Honor, have been kept under wraps.

The Indonesian government should be pressed for a fuller response to the Dili massacre. The July 16 meeting in Paris of a new World Bank-led consortium of donor countries which provide aid to Indonesia is one opportunity to do so; the August meetings of the Decolonization Committee of the United Nations (New York) and the UN Subcommission on the Prevention of Discrimination and Protection of Minorities (Geneva) are two more; and the Non-Aligned Movement summit in September in Jakarta is a fourth. The United Nations meetings would be particularly appropriate fora to press for the release of a confidential report submitted to UN Secretary General Boutros Boutros-Ghali by his personal envoy, Amos Wako, who visited East Timor in February to assess the aftermath of the massacre and wrote what insiders characterize as a blistering critique of the Indonesian government.

Embassies in Jakarta should continue to ask questions about the dead and missing. They should express concern over the cruel and unusual punishment meted out to East Timorese civilians in Jakarta and Dili. They should make it clear to their counterparts in the Indonesian government that they have reservations about the way the courts-martial were conducted, in terms of who was selected for trial and as witnesses. They should strongly urge the publication of the full KPN and Council of Military Honor reports.

The Indonesian press clearly does not believe the official version of what happened on November 12; the skepticism of the international community should be no less.

APPENDIX I.—THE COURTS-MARTIAL

1. Pvt. Mateus Maya: Sentenced to 8 months on May 30, 1992.
2. Pvt. Afonso de Jesus: Sentenced to 8 months on May 30, 1992.
3. 1st Corporal (Police) I.P. Marthin Alau, 35: Sentenced to 17 months.
4. 1st Sgt. Aloysius Rani: Sentenced to 18 months on June 3, 1992.
5. 1st Sgt. Udin Syukur: Sentenced to 18 months on June 3, 1992.
6. 1st Sgt. Petrus Saul Mada: Sentenced to 12 months on June 3, 1992.

7. 2nd Lieut. Sugiman Mursanib, 48: Sentenced to 14 months on June 3, 1992.

8. 2nd Lieut. John Aritonang, 26: Sentenced to 12 months on June 3, 1992.

9. 2nd Lieut. Handrianus Eddy Sunaryo: Sentenced to 12 months on June 5, 1992.

10. 2nd Lieut. Yohanes Alexander Panpada, 48: Sentenced to 8 months.

APPENDIX II.—TRIALS OF EAST TIMORESE CIVILIANS

Name, prosecution request sentence

A. In Jakarta:

1. Fernando de Araujo, 9 years.
2. Joao Freitas da Camara, 10 years.
3. Virgilio da Silva Gutteres, 2 years, 6 mos.
4. Agapito Cardoso, 10 months.
5. Dominggus Bareto, 6 months.

B. In Dili, in connection with November 12:

1. Gregorio da Cunha Saldanha, 29, life.
2. Francisco Miranda Branco, 41, 15 years.
3. Jacinto des Neves Raimundo Alves, 34, 8 years.
4. Filomeno da Silva Pereira, 34, 8 years—5 years, 8 mos.
5. Juvencio de Jesus Martins, 30, 10 years—6 years, 10 mos.
6. Carlos dos Santos Lemos, 31, 10 years.
7. Bonifacio Mago, not yet on trial.
8. Saturnino Da Costa Belo, not yet on trial.

C. In Dili, in connection with October 28:

1. Boby Xavier, 18: 4 years.
2. Joao dos Santos, 23: not yet requested.
3. Aleixo da Silva alias Cobra, 22: 4 years.
4. Jacob da Silva: ?
5. Bonifacio Bareto: ?

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FOOTNOTES

[1] For a full description of events on November 12, see Asia Watch, "East Timor: The November 12 Massacre and Its Aftermath," Vol. 2, No. 26, December 12, 1991.

[2] "Advance Report of the National Commission of Inquiry into 12 November 1991 Incident in Dili," unofficial translation distributed by Indonesian embassy in Washington, December 26, 1991.

[3] See Asia Watch, "Asia Watch Criticizes Commission Report on East Timor," Vol. 4, No. 1, January 3, 1992.

[4] Angkatan Bersenjata Republik Indonesia, Markas Besar, Tentara Nasional Indonesia Angakatan Darat, "Penjelasan Kepala Staf TNI-AD Tentang Hasil Kerja Dewan Kehormatan Militer dan Rencana Tindak Lanjut," February 27, 1992.

[5] Besides Gatot Purwanto and Binsar Aruan, those purged include Assistant for Operations Colonel Dolfi Rondonuwu; Assistant for Logistics Colonel Sutopo; Assistant for Territorial Affairs Colonel Michael Suwito; Assistant for Planning Colonel Tutut Subari; Commander of Korem 164 Colonel J.P. Sepang who was also Deputy Operations Commander under Warouw; and Lieutenant Colonel Wahyu Hidayat of KODIM 1627.

[6] See Asia Watch, "Asia Watch Calls for International Monitors at Trials of East Timorese," Vol. 4, No. 2, January 9, 1992.

[7] "Dua Perwira dan Tiga Bintara ABRI Dihukum dalam Kasus Dili", Kompas, June 4, 1992.

[8] "2 Pama ABRI Dijatuhi Hukuman 26 Bulan Penjara", Sinar Pagi, June 4, 1992 and personal communication from Indonesia.

[9] "Letda SM Dalam Kasus Dili Mulai Dimahmilkan," Suara Karya, June 3, 1992.

[10] "Dua Perwira dan Tiga Bintara ABRI Dihukum dalam Kasus Dili," Kompas, June 4, 1992.

[11] "Current Data on the Indonesian Military Elite," Indonesia, No. 53, April 1992, pp. 6-9.

[12] Ibid, p. 8.

TRIBUTE TO THE SUSQUEHANNA NEIGHBORHOOD ADVISORY COUNCIL

Mr. SPECTER. Mr. President, on Saturday, June 27, 1992, the Susquehanna Advisory Council in Philadelphia, PA, will hold a ceremony to honor volunteers who have contributed their time and efforts to carry out the council's mission of serving low-income residents in its community.

Since 1978, the council has provided a wide range of services, programs, and assistance to improve its north Philadelphia area. Its hardworking and devoted members have furnished food, housing, clothing, and fuel assistance to the least fortunate in their area.

The council, through the leadership of its executive director, Jewel Williams, has endeavored to enrich the life experiences of both young and old with tutorial and recreational services and with diversified counseling services. It has helped young mothers with their infants; it has initiated antidrug projects for youth; it has worked to improve the physical appearance of its environment with cleanups and site improvements.

Its volunteers have exhibited to a great degree the virtue of altruism in trying to improve the lives of those who, for whatever reasons, are struggling to cope with harsh and difficult life situations beyond their control. They truly care about their less fortunate neighbors.

Efforts such as these initiated by the Susquehanna Neighborhood Advisory Council deserve the commendation of all. It exemplifies what is most noble about human beings—the desire to assist those most in need of assistance. As the pundit wisely and accurately put it: "No one stands so tall as when he or she stoops to assist one who has fallen and is in distress."

Therefore, I believe it is fitting that the U.S. Senate take note of the accomplishments of the Susquehanna Neighborhood Advisory Council and its worthy volunteers and congratulate all for their work on this joyous occasion. Following is a list of these outstanding citizens:

Sultan Ahmand, Kendrick Allen, Thurston Alston, Thomas Anderson, Dr. Molefi K. Asante, Rachel Bagby, Lorraine Ballard-Morrell, Henry Blackwell, Rev. Ralph Blanks, Gladys Bond, Mary Jane Bracey, Mrs. Bryant, Charlie Bush, Andrew Carn, Frank Caul, Jason Clark, Darryl Clark, Helen Clowney, Ronald Cuie, Henry DeBernardo, Ted Dennery, Elliott Eberheart, Calvin Gibson, Barbara Grant, Gwendolyn Harris, Corrine Henry, James Huff, Clarence Jackson, Frances Jones, Roxanne Jones, Lu-Ann Kahn, Kentu, Shirley Kitchen, Sam Kuttab, Kevin Lamb, Rose L. Logan, Evelyn Lynch, Thera Martin-Connelley, Eddie McDaniels, Jim McGruther, Elizabeth Morton, Charlie Nimmons, Kenneth R. Norris, Vernon Odon, Dollie Pinckney, Irene Randolph, Sheler Robinson, Ruth L. Robinson, Jayne Scott, John Sims, Marshall Smith, Rev. Robert Taylor, Curtis Thomas, Kay Thompson, Sekou Uhuru, Rev. Repsie M. Warren, Ukee Washington, Rebecca Waters, Rev. Henry Wells, Ronald Williams, George Williams, Georgie Woods, and Jimmy Wright.

THE ROLE OF THE RUSSIAN ARMY IN INDEPENDENT MOLDOVA

Mr. PRESSLER. Mr. President, today I rise to record my strong reservations over considering S. 2532, the Freedom Support Act, on the Senate floor while the situation in the former Soviet Union degenerates into violence. This past weekend over 200 people, including innocent civilians, were killed in independent Moldova. May apparently were killed by Russian soldiers. Additional reports of this nature continue to come to my attention.

The overt involvement of the Russian military and recent statements by Russian leaders supporting military intervention to "support the oppressed Russian minority" are actions that should not be rewarded with generosity by United States taxpayers.

If the violence in Moldova, with the direct participation of the Russian Army, does not end, a precedent will be set for the use of Russian military force in possible conflicts extending into the Baltic States and other areas of the former Soviet Union. Disgruntled military commanders in the Baltic States may turn to aggression in response to demands by the Baltic citizens and governments for Russian troops to leave their territories.

Mr. President, there is an unseemly eagerness in Washington to reward President Boris Yeltsin for his leadership and for his fine speech to Congress last week. The thought is that massive foreign aid can keep him in power against the entrenched Communists in the Russian military and bureaucracy. I commend President Yeltsin's words in support of openness, nonviolence, and peace. Yet, the facts in Moldova tell a different story and harken back to Russian imperialism.

While President Yeltsin has called for mediation of the conflict, he also has warned the Moldovan government: "In this case, we [Russia] must react to defend people and stop the bloodshed. We have the strength to do that." At the same time, the military—including Russian Vice President Aleksandr Rutskoi and the Commander in Chief of the CIS armed forces, Marshal Evgenii Shaposhnikov—have urged action by the military.

Mr. President, the situation would not be as it is today if the Soviet Army, now the Russian Army, had stayed out of the conflict in the beginning. The root cause of this conflict is the illegal presence of the 14th Army of Russia in the territory of independent Moldova. For months, the 14th Army has sold arms to the Communist separatists in Moldova and has overtly de-

clared its support for secession of the Transdniester region of Moldova.

The Russian 14th Amy has worked side by side with the Dniester National Guard to gain control of the Transdniester and invade Bessarabia, the area of Moldova between the Prut and the Dniester Rivers. The Moldovans have been outnumbered greatly in the struggle against both of these well-armed groups.

It is important to note that the leaders of the Dniester Republic supported the hardliners' coup attempt in Moscow last August. They represent Communist orthodoxy. They are not protecting the people of Transdniestria, but are using them as bargaining chips in their game to restore the Soviet Union.

Last year I introduced a resolution supporting the people of Moldova in their struggle for self-determination and independence from the Soviet Union. The Romanian people of Moldova were the fourth group of victims of the Nazi-Soviet pact. The land of Moldova, not composed of the Transdniester region, was seized by the Soviet Red army from Romania in 1940. The Government of Moldova did not choose its current borders. Yet, according to international law, Transdniestria belongs to the Republic of Moldova. It is home to Moldovans, who represent 40 percent of the population, as well as Ukrainians and Russians whose interests also must be taken into account.

Mr. President, I commend the administration for urging the Russian Government to remove the 14th Army. Under no circumstances should Russian troops be stationed in or used in a foreign country intervene in any conflict within that foreign nation. Additionally, I urge an end to the supply of Russian arms to the separatists in the Transdniester.

Finally, the State Department should urge the Russian Government to end immediately the current economic blockade of Moldova. At this time, over 60 percent of natural gas supplies to Moldova have been cut and railway transportation links have been served. Such economic sabotage is a violation of the basic human rights of the people of Moldova. It is also an act of international violence.

Mr. President, I firmly believe that United States assistance efforts should be conditioned upon the cessation of Russian military violations of the sovereignty of its neighbors—both in Moldova and in the Baltic States.

TRIBUTE TO COMMONWEALTH EDISON

Mr. DIXON. Mr. President, on April 13, 1992, the city of Chicago was struck by what many consider its worst physical disaster since the great fire of 1871. A piling, accidentally driven into a long-forgotten underground freight tunnel system, caused a leak that sent 250 million gallons of Chicago River water rushing into the 48-mile-long subterranean network. Water poured into the basements and subbasements of buildings across the city's famed Loop. Tens of thousands of downtown workers were sent home. The potential for a much larger disaster was enormous, yet thanks to the quick, determined action of many dedicated people, not one death or injury resulted.

Today, I want to single out the response of one key organization—Commonwealth Edison Co.—which has been providing electric service to Chicago for 105 years.

At first news of the catastrophe, Edison put its emergency plan into action. The company mobilized a task force of 500 experts from across its northern Illinois territory and told them they would be working 12-hour shifts, around the clock, until the battle was won. Edison crews moved swiftly to disconnect power to buildings in order to prevent rising floodwaters from coming into contact with live electrical equipment. Company engineers worked closely with building operators, updating them, assessing the damage, and estimating how long the outages would last. Another cadre stayed in continual touch with the news media, so the public would have the very latest information.

Sixty-four hours after the first buildings went dark, Edison crews restored service to all locations where the customers' facilities were capable of operating safely. In all, the restoration team logged more than 70,000 individual work hours. Their primary mission had been to ensure public safety by protecting electrical equipment from rising flood waters, then to restore power as quickly as possible. That mission not only was accomplished, but so efficiently that it will not cause an increase in customers' electricity bills.

Therefore, let the record reflect our recognition of Commonwealth Edison's truly outstanding performance in protecting the safety of the citizens of Chicago and restoring normal business activity in the face of an unprecedented crisis. The men and women of Commonwealth Edison merit the recognition of us all.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period for morning business is now closed.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The PRESIDING OFFICER. The Senate will now resume consideration of S. 2733, which the clerk will report.

The bill clerk read as follows:

A bill (S. 2733) to improve the regulation of Government-sponsored enterprises.

The Senate resumed consideration of the bill.

Pending:

Riegle Modified Amendment No. 2437, of a perfecting nature.

Dodd Amendment No. 2440 (to Amendment No. 2437), to revise certain provisions of the Securities and Exchange Act of 1934 relating to proxy solicitation rules with respect to partnership rollup transactions.

Mr. DODD. Mr. President, what is the pending matter before the Senate?

The PRESIDING OFFICER. The pending matter is the amendment offered by the Senator from Connecticut.

AMENDMENT NO. 2440 TO AMENDMENT NO. 2437

Mr. DODD. Mr. President, the amendment I offered last evening on behalf of myself and the distinguished Senator from Missouri [Mr. BOND] is a proposal which is cosponsored by over 70 Members of this body, along with 17 members of the Banking Committee.

The first question that may occur is why this amendment has been offered here on the floor of the Senate rather than going through the normal committee processes. We tried to move it through committee on two occasions. Under the rues of the Senate, of course, Members can utilize procedures to delay action. And a Member exercised his rights, decided that this piece of legislation is not in the best interests of the country, and has objected to the matter coming forward. As a result, we have been stopped, in a sense, from proceeding in the normal way.

So I have used the opportunity on this particular legislation, given the time of the year when we are going to have very few further opportunities to bring up legislation, to offer this piece of legislation as an amendment to the Government-sponsored enterprises legislation.

Mr. President, this amendment contains the text of the Rollup Reform Act, S. 1423, including a number of modifications that were made as part of the committee print considered by the Banking Committee, as I mentioned a moment ago, on two occasions in the past 2 months. I regret we were unable to move this bill out of the committee. Seventeen members, as I have already mentioned, are cosponsors of the bill. Procedural objections were raised on two occasions when we convened for markup.

So I believe it is appropriate, given the objections in considering the legislation in the committee, to bring it before the full Senate.

The Limited Partnership Rollup Reform Act was introduced almost a year ago. There are now more than 70 Senate cosponsors of this legislation. One of my colleagues has suggested that the number of cosponsors of this measure is meaningless, that the Senators just did not know what they were doing when they cosponsored the legislation.

I think my colleagues cosponsored this bill for the same reason that I drafted it. Senators have received thousands, literally thousands, of letters on this issue. Constituents, not special interests, but small investors in our States have detailed a long record of abuse in limited partnership rollups. They have been ripped off, they are mad and upset about it, and they want some changes made. They have asked for our help, and this bill provides for the protections they have asked for and they need.

Mr. President, the Securities and Exchange Commission has estimated that since 1980, $130 billion in public limited partnerships have been sold to investors in this country. There are an estimated 8 million investors in these partnerships, with an average investment of around $10,000. As small as this may sound, for many of these individuals, the $10,000 or $20,000 that they have invested in these limited partnerships represents a large part of their savings, and in some cases all of their savings.

None of these investors believed they were getting a risk-free return, Mr. President, but promises were made to them about the nature of their investment and the obligations the general partners had to them.

First, these investors were told that they would receive distributions from the partnerships on a periodic basis and that, in a certain period of time, say 8 to 10 years, all of the property of the partnership would be sold. It was promised further that when the partnership was terminated, the limited partners would receive the proceeds from the sale of the remaining property or other assets.

Second, Mr. President, these investors were assured that the general partners had a great incentive to look out for the interests of the limited partners. Because, with the exception of management fees, the general partners could not take out any profits until the limited partners had received their share.

But the assets of many limited partnerships, particularly those invested in real estate, declined in value. The general partners were unable to sell new partnerships, their fee bases declined, and their prospects for taking a profit after paying off the limited partners also declined dramatically. So the general partners decided to change the deals—and there is where the problem occurs. They attempted, successfully in many, many cases, to roll up existing limited partnerships into new corporations or real estate investment trusts in which the rights of investors were not at all what they were in the limited partnerships.

Mr. President, even those who oppose the legislation would admit that there has been a long record of serious abuses in these transactions. There has been confusing and misleading disclosure to investors. One prospectus contained over 700 pages of material so confusing, I might add, that even the Chairman of the SEC said he could not understand it. There have been efforts by the general partners to keep limited partners from communicating with each other to oppose a rollup. Proxy solicitors have been paid commissions for delivering "yes" votes only and were pressuring investors to vote yes.

The general partners structured the deals to award themselves abusively high fees in the rolled up entity. The general partners also structured the deals so that they could take equity positions in the new rolled up entity with no equity contribution on their part whatsoever. There were substantial reductions in the voting rights of investors and increases in the voting rights of the management after the rollup.

There have been further major changes in the business operations investors were promised in the original deals. Managements were barred from engaging in transactions with affiliates in the original limited partnerships. They have restructured the agreements so that they could now make deals with affiliates and pay high fees to those affiliates.

Mr. President, no one has disputed the extent of these abuses. No one has disputed that in most cases the rights of investors are decreased, and decreased substantially as a result of one of these rollups. And the rights of management—I am talking about the voting rights, equity interests, management fees, the ability to engage in affiliate transactions—all of these rights on the part of management are substantially increased. This has happened repeatedly in one rollup deal after another.

Many investors have called me and written saying they have voted against a rollup but have been forced to accept shares in a new entity that they do not want, with the management fee structure that ensures management will be paid first and investors will be paid last; directly contrary to what they were told when they were solicited to invest in the original limited partnership arrangement.

In many of these transactions, Mr. President, the securities issued in the rollup declined 20, 30, or 40 percent more on the first day of trading.

A recent article in Barron's shows losses of 80 and 90 percent or more in the years following certain rollups.

Mr. President, the amendment that we have introduced addressed these problems. Let me describe briefly what it does. The amendment requires complete and understandable disclosure to limited partners and requires a summary of the risks to be in the front of any disclosure documents sent to investors. It gives investors the tools they need to communicate with other limited partners, in order to mount opposition to abusive rollup proposals. It ensures that investors will have more time to consider complicated rollup transactions, 60 days, unless the State provides for a shorter period of time. And the amendment provides or moves the incentive for market professionals to pressure investors to vote in favor of a rollup by prohibiting special compensation for "yes" votes only.

The amendment also directs the NASD and the exchanges to adopt rules of fair practice, to give those shareholders who vote against a rollup an alternative, so they will not be forced into accepting shares in an investment that they never wanted. Under the bill, the NASD and the exchanges also could prevent excessive and abusive fees to management, and could prevent reductions in the voting rights of limited partners in these new rolled up entities.

Now it is true, Mr. President, that the SEC has adopted some of these reforms, but the SEC started moving on its disclosure proposals more than a year after we first alerted SEC to the problems. The SEC has proposed changes in the proxy rules to make it easy for limited partners to communicate with each other, but the SEC has not adopted those rules at this time. I am deeply concerned that those issues may not be resolved before this Congress adjourns.

This legislation, in my view, is needed to ensure that these issues are addressed before Congress goes home for the year. The NASD has been working on rules of fair practice, which it will adopt for its members if this legislation passes. We must have legislation to ensure consistent standards for the NASDAQ market and for the exchanges. We cannot afford to create loopholes here.

Finally, let me say that even the partnership industry is telling us that it wants this legislation. We have worked closely with them, as we have with State regulators, and we now have a bill that business can work with to restructure partnerships that are in trouble, but that protects investors from the abuses we have seen in the past. This legislation is supported by the State securities regulators; the Association of Individual Investors; United Shareholders Association; the National Association of Realtors; the Investment Program Association, and other business and investment groups.

Let me underscore that there is agreement on this legislation both from the investors it seeks to protect and from the industry that would be affected by it. It is good for business, and it is good for investors.

Mr. President, at this point, I would like to submit for the RECORD copies of a number of letters in support of this legislation that have been sent to us. I ask unanimous consent that these let-

ters be printed in the RECORD at this juncture.

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

INVESTMENT PROGRAM ASSOCIATION,
Washington, DC, May 19, 1992.

Hon. CHRISTOPHER J. DODD,
Chairman, Subcommittee on Securities, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

DEAR CHAIRMAN DODD: The Investment Program Association supports your bill to regulate the reorganization of limited partnerships and we will continue to work with you and others to see it enacted into law as soon as possible.

As the national trade group for the sponsors and sellers of limited partnerships and other types of direct ownership securities, we have long advocated that measures be taken by the Securities and Exchange Commission, the National Association of Securities Dealers, the national stock exchanges and the Congress to discipline partnership restructurings in a manner fair to both the limited partners and their general partners.

Your bill, S. 1423, is an important step in obtaining that necessary discipline and we applaud your balanced approach.

No well informed person can doubt that our nation's economy, in general, and real estate, in particular, is facing troubled times. The recent bankruptcy filing by Olympia and York points to the difficulties facing even the most experienced in the real estate industry.

There will continue to be a great need to restructure financial arrangements in real estate, as well as in the energy industry. Because both sectors were heavily reliant upon partnership financings, we can anticipate more reorganizations and restructurings of limited partnerships.

While some in Washington have noted that this is an area of law commonly left to the states to develop, the North American Securities Administrators Association, an organization of state securities regulators, and the Investment Program Association have called for action on the federal level to provide for a uniform set of laws and regulations for partnership reorganizations. Unless action such as you propose in S. 1423 is taken at the federal level, general partners and their investors will face an uncertain and possibly conflicting body of laws at the state level.

The Investment Program Association urges the Senate to proceed promptly on its consideration of S. 1423 and we will continue to be a resource to you and your fine staff throughout the deliberations.

Sincerely yours,

CHRISTOPHER L. DAVIS,
President.

INVESTMENT PROGRAM ASSOCIATION MEMBER LIST, MAY 14, 1992

AGS Financial Corp.
Altschuler, Melvoin & Glasser.
America First Companies.
American Finance Group.
American Retirement Villas.
American Stock Transfer & Trust Co.
Anchor National Financial Services, Inc.
Angeles Corporation.
Applied Information Solutions.
August Real Estate Investment, Inc.
The Balcor Company.
Bankers Trust.
Banyan Management Corporation.
Barry A. Soble & Associates.
Boston Bay Capital.
Boston Capital Services, Inc.
The Boston Company.
The Boston Financial Group.
Brown & Wood.
Capital Vectors.
Chase Manhattan Bank.
CIGNA Financial Partners, Inc.
CLR/Fast-Tax.
Clark Financial Corp.
CNL Investment Company.
Con Am Securities, Inc.
Continental Wingate Capital Corp.
Coopers & Lybrand.
C.R.I., Inc.
CSA Financial Corp.
Daniels Printing Company.
Dean Witter Reynolds.
Deloitte & Touche.
DiVall Real Estate Securities Corp.
Edler & Cornicelli.
EIP Capital Corp.
Equity Resources Group.
Ernst & Young.
Financial Network Investment Corp.
First Capital Financial Corporation.
First Financial Corporate Advisors.
Fischbein & Badillo.
The Fox Group.
Franchise Finance Corporation of America.
Franklin Properties, Inc.
Funds Service Corp.
GEMISYS.
Geodyne Resources, Inc.
Graham Resources.
Gruntal & Company, Inc.
Hale & Dorr.
Holmes & Graven.
Hunton & Williams.
ICON Capital Corporation.
IDM Securities.
IDS Financial Services, Inc.
Income Growth Capital, Inc.
JMB Realty Corporation.
Jones International Securities.
Kaye, Scholer, Fierman, Hays & Handler.
Kelley, Drye & Warren.
Kidder, Peabody & Company, Inc.
Krupp Securities.
Kutak Rock & Campbell.
Lassen, Smith, Katenstein & Furlow.
Lepercq Capital Partners.
Liberty Real Estate Corporation.
MAVRICC Management Systems.
McNeil Real Estate Management, Inc.
Merit Capital Corporation.
Merrill Lynch Capital Markets.
Merrill Lynch, Hubbard, Inc.
National Partnership Exchange.
National Partnership Investment Corporation.
National Properties Investors, Inc.
New England Securities Corp.
NYLIFE Securities, Inc.
PLM Investment Management, Inc.
Paine Webber Development.
Paine Webber, Inc.
Paine Webber Properties.
Parker & Parsley Petroleum.
Pegasus Capital Corporation.
Phoenix Leasing Inc.
Polaris Aircraft Leasing.
Price Waterhouse.
Provine & Associates.
Prudential Securities.
Public Storage, Inc.
Rancon Financial Corporation.
Realty Income Corporation.
Reed Smith Shaw & McClay.
Registrar & Transfer Company.
Related Capital Corporation.
Robert A. Stanger & Co.
Robinson Silverman Pearce Aronsohn & Berman.
Rogers & Wells.
Royal Alliance Associates, Inc.
Rubin Baum Levin Constant and Friedman.
Scott & Stringfellow, Inc.
Service Data Corp.
Shareholder Communications Corp.
Shartsis, Friese & Ginsburg.
Shaw, Pittman, Potts & Trowbridge.
Shearson Lehman Hutton.
Shurgard Storage Centers.
Silver Screen Management.
Smith Barney, Harris Upham & Co.
Standard & Poor's Corp.
SunAmerica Securities, Inc.
Swift Energy Company.
T. Rowe Price.
Technology Funding, Inc.
Torchmark Leasing Programs.
Trien, Rosenberg, Felix, Rosenberg, Barr & Weinberg.
W.J. Hoyt & Sons Management Co.
W.P. Carey & Co., Inc.
Water Acquisition & Management Co.
Westin Financial Group, Inc.
The Windsor Corporation.
Zahren Financial Corporation.

AMERICAN ASSOCIATION OF INDIVIDUAL INVESTORS,
Chicago, IL, May 15, 1992.

Hon. CHRISTOPHER J. DODD,
Chairman, Subcommittee on Securities, U.S. Senate, Washington, DC.

DEAR SENATOR DODD: As chairman of the American Association of Individual Investors, I would like to express my support for S. 1423. I am sure that our 130,000 members, many of whom have been financially hurt by roll-ups, look forward to its passage.

The evidence examined by the committee and the personal experiences of our members, point out the need for such legislation. The bill incorporates the reforms most necessary to prevent future roll-up abuse and I hope it moves forward without changes that would weaken its effectiveness.

This reform is desirable for the investment industry, as well. Without it, public limited partnerships will lose their place as a major means of raising capital in a number of areas important to the economy.

Sincerely,

JAMES B. CLOONAN,
Chairman.

UNITED SHAREHOLDERS ASSOCIATION,
Washington, DC, May 19, 1992.

Hon. CHRISTOPHER J. DODD,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR DODD: As president of the United Shareholders Association, a grassroots organization with a membership of 65,000 individual investors nationwide, I am writing to support legislation, S. 1423, to protect investors in limited partnerships against abuses in the "roll-up" process.

The "Limited Partnership Rollup Reform Act," now pending before the Senate Banking Committee, is an urgently needed response to the evidence compiled by the committee of abuses practiced by some roll-up sponsors. The legislation recognizes that an important part of the solution is to provide limited partners with the opportunity for meaningful and informed decision-making. S. 1423 takes a narrowly focused approach to remedy the worst abuses of the roll-up process.

The legislation also recognizes that there are important distinctions between the traditional types of corporate restructuring for which the federal securities laws were origi-

nally designed and limited partnership rollups. Given these distinctions, an adjustment of federal regulations is appropriate to restore investor confidence in these limited partnership transactions.

USA supports the key reforms proposed in S. 1423, including: Dissenters' rights; protection of limited partners' voting rights; more comprehensive and clear disclosure to limited partners facing a rollup; more informed decision-making through communication among limited partners, access to limited partner lists and allowing limited partners more time to consider a rollup; independent fairness opinions and appraisals.

The record of abuses uncovered by the Banking Committee and its Securities Subcommittee leaves no doubt that limited partnership rollups are a major problem area for investors today. Swift action on the part of Congress to rectify these abuses is required, and USA respectfully urges the immediate adoption of S. 1423.

Sincerely,

RALPH V. WHITWORTH,
President.

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.,
Washington, DC, May 19, 1992.

Hon. CHRISTOPHER DODD,
U.S. Senate, Russell Senate Office Building, Washington, DC.

SENATOR DODD: I understand that S. 1423, the "Limited Partnership Rollup Reform Act," will be considered on Thursday, May 21st, by the Senate Banking Committee. On behalf of the North American Securities Administrators Association (NASAA),[1] I am pleased to lend the Association's strong support for the reforms contained in the proposed legislation. NASAA respectfully urges you to adopt this initiative and to reject any attempts to weaken the legislation.

The reforms contained in S. 1423 would go a long way toward remedying the pervasive investor abuses now present in the limited partnership roll-up process and would help restore the eroded investor confidence in these markets. Among the key elements of S. 1423 supported by NASAA are:

Clear and specific criteria governing the roll-up transactions in which members of the National Association of Securities Dealers (NASD) may participate and those transactions which would qualify for listing on a national exchange or the National Association of Securities Dealers Automated Quotation (NASDAQ) system, including: (1) rights for dissenting limited partners; (2) prohibitions on "supermajority" voting requirements; and (3) restrictions on increased fees and compensation to general partners sponsoring a roll-up.

Reforms to curb the abusive practices that have developed in the roll-up proxy solicitation process. Among the key reforms supported by NASAA are: (1) more meaningful and understandable disclosure; (2) permissible communication among limited partners and adequate time for review of the roll-up prospectus; and (3) more "fair" fairness opinions.

While the reforms contemplated under S. 1423 would go a long way toward remedying the pervasive abuses now present in the roll-up process, NASAA's view is that the measure could be further fortified through the addition of a provision which would require that an independent committee operating on behalf of limited partners be established in all proposed roll-up transactions. Because of the enormous potential for conflicts of interest on the part of the general partners, there must be some countervailing force in these transactions operating on behalf of the limited partners.

You may be interested to learn that in October 1991, the NASAA membership approved important amendments to existing guidelines which govern the state-level registration of limited partnerships. These amendments were adopted in order to address future abuses in limited partnership roll-ups. Under the new NASAA guideline language, limited partnerships will not be permitted to enter into roll-ups without providing specific protections for investors, including dissenters' rights and access to needed information, such as the list of other limited partners.

It should be recognized that the new NASAA guidelines are strictly prospective in nature, and as such, will only come into play with the state registration of new limited partnerships. In commenting upon the guideline amendment, NASAA president Lewis Brothers observed that, "NASAA's new action will help future limited partners, but not the millions of limited partners who already are out there and endangered by roll-ups. NASAA has done what it can to help limited partners down the road; only Congress can protect those who are in serious jeopardy today."

Mr. Chairman, you and your colleagues are to be commended for your important efforts to explore the very serious investor protection issues that arise in connection with roll-up transactions. Today, almost all roll-ups of public limited partnerships are approved for exchange listing and, therefore, such offerings sidestep state substantive review. The net effect of this process is that individual limited partnerships that had been screened through state investor protection standards are converted literally overnight into investment instruments outside of the ambit of state regulation. In this way, limited partners effectively are stripped of the many and important safeguards required under state review. State securities regulators are gravely concerned that these transactions deprive small investors of the many and important protections afforded to them under state regulation of limited partnerships. Further, federal securities laws and rules as they are applied to roll-ups in no way compensate for the stripping away of these state-level protections.

S. 1423 is a carefully crafted and narrowly drawn package that has as its focus abusive limited partnership roll-ups. The reforms included in the legislation recognize that these transactions are unique and distinct from the traditional corporate restructurings for which the federal securities laws were designed and that additional investor safeguards must be put in place. While many pieces of securities-related legislation that come before the Banking Committee may serve a narrow audience or agenda, it should be recognized by one and all that S. 1423 would provide immediate and urgently needed relief for literally millions of small investors all across this nation. Accordingly, NASAA respectfully urges the swift adoption of S. 1423.

Please contact Maureen Thompson, NASAA's Legislative Adviser, at 703/276-1116 if you have any questions or would like additional information on NASAA's position.

Sincerely,

LEE R. POLSON,
Executive Director.

[1] In the U.S., NASAA is the national voice of the 50 state securities agencies responsible for the protection of investors and the efficient functioning of the capital markets at the grassroots level.

THE COMMONWEALTH OF MASSACHUSETTS,
Boston, MA, May 18, 1992.

Mr. MICHAEL STEIN,
Senate Banking Committee, Dirksen Senate Office Building, Washington, DC.

DEAR MR. STEIN: This letter is in response to your request for a more detailed statement of the position of the North American Securities Administrators Association ("NASAA") and its members on the Limited Partnership Roll-Up Reform Act (S. 1423), which addresses abusive practices in roll-ups and conversions of partnership investment programs.

The Securities Division of the Office of the Secretary of State has received a large number of complaints from individual investors and from financial planners regarding recent roll-ups and conversions of partnership investment programs. These complaints have been unusual in both their number and intensity, with the common theme that investors were being cheated in these transactions.

Among the problems that we have seen in roll-ups and conversions are:

Substantial increases in sponsor fees and removal of fee caps after the transactions are completed (*e.g.*, the Berkshire Realty Company, Inc. roll-up of the Krupp real estate programs resulted in an increase in compensation to Krupp over an 18 month period from $9.8M to $13.7M, a 38% increase);

Substantial extension of the duration of the investment, with many finite life partnerships being changed into indefinite life programs (*e.g.*, the Milestone Properties roll-up of the Concord real estate partnerships converted finite life, self-liquidating partnerships into an infinite life entity; also the Berkshire Realty roll-up);

Systematic removal of protections against sponsor conflicts of interest (*e.g.*, the Hallwood Realty Partners roll-up of the Equitec partnerships stripped away prohibitions on the sponsor selling properties to, or buying properties from, the new program, creating a significant new risk for investors and an ongoing source of conflicts for the sponsor);

Substantial increases in the portion of the program held by the sponsor after the completion of the transaction (*e.g.*, in the Milestone Properties transaction, the original partnerships would have paid no economic benefit to the sponsor upon liquidation (because priority return target for investors had not been achieved), yet the sponsor received a 9% equity interest in the new entity with a book value of $5M);

Limitation of investors' voting rights by means of new, supermajority vote requirements (*e.g.*, the Berkshire Properties, Hallwood Realty, and Milestone Properties roll-ups);

Increases in the allowable level of program borrowing, increasing the risk of the investment (*e.g.*, the Hallwood Realty Partners and the Berkshire Properties roll-ups); and

Very substantial discounts in the market price of the roll-up securities compared to the estimated value of the assets underlying those securities, apparently due to the unattractive fee structures and terms of these entities (*e.g.*, National Realty, L.P., which trades at an 89% discount to net asset value; American Real Estate Partners, which trades at a 63% discount; and Berkshire Realty, which trades at a 47% discount).

The roll-up and conversion transactions about which we have received complaints have been listed on the New York Stock Exchange, the American Stock Exchange, or

the NASDAQ/National Market System. Under Massachusetts law, and under the laws of most other states, such an exchange listing exempts these transactions from state review. Because these transactions are not filed with us, we cannot review them and we cannot require that they include the same protections for investors that we require for partnership investment programs. Recently, Massachusetts and other states have acted through NASAA to adopt standards to make new partnership programs more resistant to abusive roll-ups and conversions. Because the states can act only with respect to newly-formed programs, however, we are unable to protect investors in existing partnership programs. Federal legislation is needed in order to protect these investors.

Despite predictions to the contrary, abusive roll-ups and conversions have not died away. We recently received a detailed letter of complaint from a large financial planning firm regarding the conversion of Hallwood Consolidated Partners (an oil and gas investment program) from partnership to corporate form. This conversion was approved on April 21, 1992. This transaction, which was essentially a single-program roll-up, included the following problems:

1. The original partnership agreement restricted investment to producing oil and gas properties. The by-laws of the new corporation permit exploratory drilling. This substantial change in investment objective significantly increases the risk of the investment. Also, it is likely that many investors for whom an investment in the original production program was suitable would not be appropriate investors for a riskier exploration program.

2. Because the original partnership was designed to be an income-generating investment, the partnership agreement did not permit cash from operations to be used to acquire new properties. The new entity is permitted to reinvest cash from operations in new properties, extending the life of the program and increasing risk. In addition, affiliates of the sponsor will receive acquisition fees in connection with investments in new properties.

3. The sponsor converted a 14% interest in income and a 7% interest in liquidation proceeds of the partnership to a 14% share of the new entity's common stock. This represents a step up in the sponsor's interest at the expense of investors.

4. Upon completion of the conversion, the voting power of the sponsor and affiliates increased from 30% to 40% on issues which require majority approval by investors, greatly increasing the sponsor's effective control of the program.

5. The original partnership included strict limitation on borrowing, and prohibited securing loans with partnership property or production therefrom. In contrast to this, the company is not subject to such restrictions, significantly increasing risk. Also, the company is now able to borrow to fund distributions to investors if cash flow proves insufficient, further increasing the risk of the investment.

6. The partnership included strict, state-mandated limitations on the ability of the partnership to indemnify or exonerate the sponsor. In contrast to this, the company's by-laws allow the sponsor to be extensively exonerated and indemnified. This change increases the risk that investors' funds will be used to indemnify the sponsor, and also represents a significant conflict of interest for the sponsor.

7. Under federal tax law the partnership was not subject to federal or state income taxes; instead each limited partner was taxed on his or her pro rata share of the partnership's taxable income, with losses from the partnership also passing through to the limited partners. In contrast to this structure, the company is subject to state and federal income taxes on its income, and stockholders are subject to federal and state income taxes on distributions of corporate earnings. The company's losses will not pass through to its stockholders. These changes fundamentally alter the nature of the investment as a tax-advantaged vehicle.

8. The costs of the conversion, $1.8M, were borne by the company. Such costs include the payment of $500,000 in fees to Dean Witter ($125,000 if the Conversion had not been approved), and expenses of soliciting consents from and communicating with the limited partners. Even if the conversion had not been completed, all costs and expenses ($1.4M) would have been borne by the partnership.

9. Limited partners of the partnership had no dissenters' rights or other comparable rights in connection with the conversion.

Beside this transaction, we recently learned that there is a rumor in the financial community that a Seattle-based concern, with over $500M in investor funds under its control, is preparing a roll-up of its partnerships. On this basis, we believe that abusive roll-ups will continue as they have in the past unless action is taken to curtail them.

As I reported to the House of Representatives in my testimony on the Limited Partnership Roll-Up Reform Act, roll-ups and conversions are a continuing threat to small investors. We understand that the Act has been characterized in some quarters as a piece of "special interest" legislation that would benefit only a few commercial interests. This is not the case. Limited partnership investment programs were designed for and sold to middle class, retail investors. Over 200,000 investors in Massachusetts alone have invested in these programs, and most of these investments are still outstanding. Because partnership investment programs are so widely held and because roll-ups and conversions have proven to be a continuing area of abuse, these transactions have far-reaching ramifications for small investors. This legislation is needed to protect the interests of these investors and to halt the abuses that we have seen.

Sincerely,

MICHAEL J. CANNOLLY,
Secretary of State.

NATIONAL ASSOCIATION OF REALTORS,
Washington, DC, May 20, 1992.

Hon. CHRISTOPHER J. DODD,
U.S. Senate, Dirksen Building, Washington, DC.

DEAR SENATOR DODD: On behalf of nearly 750,000 real estate professionals, the National Association of Realtors is pleased to comment on the proposed Limited Partnership Rollup Reform Act.

The National Association of Realtors has long represented real estate investment interests. Our members include, among others, real estate syndicators and limited partners. Because the Association represents such a broad range of real estate interests, we have a strong interest in preserving the credibility of real estate as a viable investment alternative for all market participants. We realize that the rollup issue is not unique to real estate, although many of these partnerships hold real estate assets. We therefore believe that as representatives of the real estate industry it is appropriate for us to comment on the issues of rollup reform.

GENERAL COMMENTS

A confluence of economic events had left many real estate limited partnership sponsors poorly capitalized and managing assets with depressed values. As a result, some general partners have sought consolidation of partnerships through rollups as a means of lowering administrative costs of the partnerships, generating additional capital for the partnerships and offering liquidity to the investors. Due to the severity of the nation's recession and prolonged credit crunch, the National Association of Realtors believes that reorganization is a critical alternative for many real estate limited partnerships. The realities of the marketplace are such that, without some alternatives and changes, some partnerships will fail simply due to lack of capital.

The goal of responsible restructuring should be to offer liquidity and administrative savings to real estate partnerships. Unfortunately, in some cases the costs of restructuring and poorly restructured consolidations, have counteracted any promised benefits. While the Association believes that restructuring should not be prohibited, legislative and regulatory reforms are needed to deal with potential rollup abuses.

Specifically, the National Association of Realtors supports the following provisions included in S. 1423:

Dissenters' rights;

Prohibitions on supermajority voting rights;

The use of plain and understandable disclosure to shareholders; and

More informed communication among limited partners and more time to consider the proposed transaction.

The Association is concerned, however, with the requirement that rollup solicitation materials include the performance data of all comparable rollup transactions. It is unclear whether this requirement refers to all comparable rollups within the market or only to past rollup transactions involving a proposed rollup's sponsor(s). If the requirement is aimed at all comparable rollup transactions, then we believe this may inflict undue burdens on the sponsor(s). If the requirement is aimed at comparable rollups involving the sponsor(s), then we recommend that the language be clarified accordingly.

The National Association of Realtors is pleased to participate in this process, and hopes the observations and suggestions presented in this comment letter are useful in advancing a standard of quality and fairness in connection with limited partnership rollup transactions.

CONCLUSION

The National Association of Realtors appreciates the opportunity to provide comment on proposed rollup reform. We applaud your endeavors to address the rollup issue and the potential areas of abuse that can occur in such transactions.

As an Association representing a wide variety of real estate professionals, we pledge our continued commitment to the issue affecting real estate limited partnerships. We hope our observations and suggestions will enable you to more effectively accomplish your goals.

Sincerely,

STEVE DRIESLER,
Senior Vice President.

INTERNATIONAL ASSOCIATION
FOR FINANCIAL PLANNING,
Atlanta, GA, May 7, 1992.

Hon. CHRISTOPHER J. DODD,
Chairman, Subcommittee on Securities, Committee on Banking, House, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR DODD: We understand that your committee will soon be considering S. 1423, the Limited Partnership Roll-up Reform Act. The International Association for Financial Planning (IAFP) strongly supports your efforts to eliminate abusive practices in roll-ups of limited partnerships. You and the other co-sponsors of S. 1423 are to be commended for your commitment to consumer protection.

The IAFP appreciated the opportunity to work with your staff in the development of this legislation. We are pleased that several of our suggestions have been included in this legislation. As the oldest and largest financial planning membership association, we are committed to working for legislation that will benefit the consumer and enhance the professionalism and success of persons committed to the American public achieving its financial objectives.

As you are aware, the Securities and Exchange Commission has issued one new regulation concerning roll-ups of limited partnerships. This regulation addresses many of the problems evidenced by abusive roll-ups; however, it does not provide for an essential element of reform—dissenters' rights. The IAFP believes that provision for dissenters' rights is very important if the individual investor is to be protected from being forced into a business relationship significantly different from that in which he originally invested. Further, the comprehensive rules addressing roll-up abuses currently proposed by the National Association of Securities Dealers only will be put in place if this legislation is adopted.

We believe that limited partnerships should have flexibility in the selection of business forms, including the roll-up option. However, the unfortunate experience has been that many roll-ups have taken advantage of limited partners, many of whom have seen their equity in these investments disappear. This legislation would provide important protection for limited partners, yet permit fairly structured roll-ups to proceed unimpeded.

Therefore, the IAFP is pleased to endorse S. 1423 and urge its swift adoption.

Sincerely,

ROBERT J. OBERST, Sr., Ph.D., CFP,
President.

Mr. DODD. Mr. President, let me emphasize one last point, because there have been some issues raised about whether or not this legislation is needed. It is, in my view, of course, needed because of the slowness of the pace at which the SEC is moving and, frankly, I am fearful that we will leave here without some legislation to underscore the importance of protecting these investors.

Let me make some general observations. Limited partnerships are good investments. I apologize in that I should have said that at the very outset. There are many of these limited partnerships which are very good investments, and people are not being hurt by them at all. They are good investments for people that do not have a great deal of money which they would like to have working for them.

The average investment is around $8,000 to $10,000. That may not seem like much to the high rollers, but for a lot of average citizens who are trying to make their money work for them a bit, limited partnerships have been a good investment tool. The people you are doing business with, if you are involved in these partnerships, by and large are good business people who practice good business procedures in dealing with your money.

Unfortunately, there are those who take advantage of people. Many of these rollups, in my view, have been truly harmful. We are not trying to say with this legislation that if you invest in a limited partnership, you are guaranteed a success story. You are taking a chance, as you are with any investment you make. There is no absolute guarantee. I am not suggesting there ought to be. But I also do not believe that if you go into a limited partnership, that you ought to be taken advantage of unfairly in an abusive rollup transaction.

This legislation, I emphasize, is supported by the partnership industry. Normally, you have the regulators and the Congress and the industry at odds with one another. This legislation is supported by those businesses involved in limited partnerships. They want these changes. They have written to us that this is a good idea, something they would support. It is supported by State regulators. They want it done. They believe it is worthwhile. And those organizations that represent the investors in the country support it. This is one of those rare occasions where investors, the industry, and the regulators believe what we have offered here makes good sense.

The problem is that we have a Member or two who object to it. That certainly is their right to do so. But as a result of this, we have had to delay many, many months on getting this legislation before the committee. And now, of course, we have chosen the route of coming directly to the floor of the U.S. Senate with it. But there are 73 cosponsors on this legislation. It has passed the House already. In fact, in the House, it passed on a consent calendar where there was virtually no debate in opposition.

My hope is that today we will be able to pass this legislation, and make it a part of this particular bill and move on to other matters.

Mr. President, I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas [Mr. GRAMM] is recognized.

Mr. GRAMM. Mr. President, knowing that the floor managers will oppose this amendment as part of their leadership substitute and will, I assume, move to table, I am not going to enter into the prolonged debate that I would were that not the case. I will have an opportunity, if this amendment should be adopted, to come back after we have dealt with the important pending business, the balanced budget amendment to the Constitution. At that time I can, with a motion such as a motion to recommit, revisit this whole issue. So I am not going to take up the Senate's time this morning with a long discussion. I will have an opportunity to do that later.

Let me first try to explain the problem, and then the parts of this amendment that I support, and then the part of the amendment that I strongly oppose. I would like to outline why I feel so strongly that one of the provisions in this amendment is bad law, that it will hurt American investors, and that it will hurt economic growth.

Here is the problem, Mr. President.

In the mid-eighties we had a very large number of professionals, doctors, lawyers, college professors, enter into limited partnerships. The limited partnership is a vehicle whereby people who have money to invest but who do not have specific expertise can band together and invest funds in a project or an activity in which they do not have to engage in the day-to-day management. Tens of billions of dollars of capital in the American economy have been invested in limited partnerships.

As a college professor at Texas A&M, I was engaged in half a dozen limited partnerships, where people got together, pooled resources, had a general partner who in essence ran the investment, and everybody else put up money and had the ability to make decisions on a majority rule basis.

What happened in America in the mid-eighties is that with inflation collapsing in the early eighties, with a decline in oil prices, with the Tax Reform Act of 1986, a lot of these limited partnerships went bad.

Many of them were highly leveraged with debt. They were based on the acceleration of real estate values. They were based on at least a maintenance of oil prices. In many cases they were based on simply projecting past price changes into the future to develop an expectation.

The net result has been that literally hundreds of thousands of people who invested in limited partnerships, many of them in oil and gas, many of them in real estate in one form or another with the tax change in 1986, with the declining inflation, with declining marginal tax rates that lowered the value of interest deductions, many of these limited partnerships have gotten into deep trouble.

When they have gotten into trouble there have been three options that have been available. In trying to illustrate this whole thing let me take advantage of a little chart. If you are in a limited partnership and the value of the asset declines, you do not have a lot of liquidity in the partnership. But

if you want to get out of it, and you have partners that have invested money and they want to get out of this deal, they really have three things they can do.

One is, they can liquidate the partnership. For example, let us say you had 20 doctors that got together, bought a piece of property in a town. They had a limited partnership with a local realtor to buy this property. They believed the value was going to appreciate and they were going to sell it. And so obviously one of the things they can do is go out in the marketplace and sell the property.

There is a second option they can choose. If they did not want to sell the property, because they did not want to take the loss, but some of the members of the limited partnership needed their money out, one of the options they could do would be to incorporate, to give everybody shares in the property as a corporation. They could go through what would be called a partnership reorganization, where they would turn the limited partnership into a little corporation. Each person would be given shares based on their investment, and those shares would sell in the market, and anybody could go out and sell those shares.

One of the things that is going to happen almost immediately if they take that option is that the market price of those shares is going to show what a bad deal this real estate investment was.

Now what happened in the late eighties and in the last 2 years is that a lot of people who followed this path, many in very large limited partnerships, were shocked by the fact that this real estate, principally real estate, oil and gas, other types of investments, had declined in value so much, especially if they had been leveraged with debts, that the assets of these partnerships were almost valueless.

The last option is to sell your interest to a specialty fund, or what is sometimes called a vulture fund, though this, like the real vulture that we see along the highway, this vulture fund was performing a real service. These are people who specialize in going out and looking at troubled partnerships, buying them at a discount, repackaging them, and remarketing. Those are the three options that were available.

What happened is that when people opted for reorganization, and these stocks went on the market, many limited partners were shocked at how low the values were. There were instances where general partners had not given people the full information. Many of these people were not paying attention to their investment. And so the net result was that there were some abuses, and obviously there was great unhappiness.

The Securities and Exchange Commission and the National Association of Securities Dealers have now come in and instituted a series of reforms that say that if limited partnerships are going to be reorganized, then they have to follow a set of procedures to give everybody the facts, to let everybody know when they are going to cast this vote, and they set other limits on the action of the general partnership and the majority to protect everybody's rights. Basically, what the SEC and the National Association of Securities Dealers have done is require more reporting and disclosure to give people the facts.

What has happened during this period is that you have had a number of companies, in fact there is a handful of these vulture funds, but there is one large vulture fund that has become very active politically. What they have done is lobbied for a reform that not only would codify what the Securities and Exchange Commission has done, that not only would codify what the National Association of Securities Dealers has done, but that would in fact legislate changes in the rights of the limited partners. And this is a very important point that I am making in terms of why I think this is a bad amendment.

Let me begin with the provisions of the House bill and then discuss this amendment. What the House bill would do is this: Let us say 20 people entered into a limited partnership, and part of the deal was that we each put up $20,000, and we had an agreement in the contract we signed that said that if the majority of the people decided to take any action to incorporate, sell the asset, to reorganize it, to break it up and sell it, it would be majority rule. We made the investment on that basis.

What the House bill would do in an extraordinary legislative action is it would come in and say that you cannot have majority rule. You may have signed the contract when you made your investment, but the Government knows better than you do. What the House bill does is, it says that if a couple of the limited partners, if a very small number of them, disagreed with the action of the majority, then the majority in order to reorganize the partnership would, for example, have to pay off those few investors.

Let us say you had 20 people that went out and bought a building. What the House bill would say is if you have two people who do not agree with selling the building or do not agree with incorporating, you would have to take a part of a floor of the building and give it to those two people, or you would have to buy them out before the majority could exercise the rights that they were guaranteed when they signed the contract.

Mr. President, that is clearly a breach of contract. What are we doing coming in and saying to people who put up their money, who signed a contract, that were guaranteed majority rule? We are going to come in and say, no, you signed the contract, you put up your money, but we are not going to let you exercise your rights. If there are 2 people out of the 20 who say no, you have to buy them out before you can take your action.

The problem is actually worse than that, because before you can reorganize one of these limited partnerships, you have to notify everybody that you are going to have the vote. Every State has a listing of all the members of their limited partnerships. So what happens is that one of these vulture funds finds out that there is going to be a vote on reorganizing a limited partnership, and they run to the Secretary of State's office, get the list of the people who are limited partners, and buy a couple of them out. And then they are in a position to say: "Hey, you have to pay us or we are not going to let you reorganize."

The final point I want to make is, where do you think the bulk of the political support and the money comes from for making it so that a small minority can block a limited partnership from reorganizing? Remember that with three options that are available, what in essence this bill would do is preclude one of the three for all practical purposes.

Where do you think the basic funding for the political support for this bill is coming from? It comes from the vulture fund.

Basically, you have a situation where a small number of companies and individuals have gotten busy, put together a trade association, sent letters, gone to the media, got television shows on the subject all to eliminate one of the three options that people have in dealing with a financial problem. If that option is eliminated, limited partners either have to go out and sell the building and take a huge loss, or they have to go to the vulture fund.

Mr. President, let me just quickly summarize, and then the Senate can continue with its business.

I think giving people the facts is very important. I strongly support the reporting requirements in the amendment. The Securities and Exchange Commission has said that this is what is needed to be done. They do not want us to take action on this bill that goes any further. They do not oppose enhanced disclosure, because that is what they have done. But the SEC believes that what they have done will deal with the legitimate problems.

But what this bill would do is that it would abrogate contracts that people have entered into legally in arm's length transactions, where they put up their money based on guarantees they had that they would have the ability by majority rule to take action. What this bill does is it takes that power away from them.

In the House it takes it away from them completely. In this bill, it says, OK, if you do not buy out these minority members who disagree with the majority, and you reorganize, you cannot have your stock traded on a national exchange, NASDAQ, American Stock Exchange, New York Stock Exchange. Mr. President, that clearly violates the constitutional rights of these investors.

Finally, I am alarmed by the lobbying effort behind this bill. I have seen a lot of bad bills come through the Congress. It absolutely astounds me that a small number of people, for all practical purposes, a handful of individuals, who want Congress to act to eliminate one of their two basic competitors as a vehicle for responding to somebody else's financial distress, can become organized, can put together a newsletter, can hire a lobbyist who represents a whole bunch of other people and can, in essence, come to Washington and get a law passed that violates contracts and denies people their rights. I am alarmed that such a group can get Congress to enact legislation that denies people the right to use one of the three options that is available to them under current law, so that there are only two options left and the lobbyists are one of the two surviving options.

I feel very strongly about this bill. I think it is well intended by its Senate sponsors. I do not doubt that those who argue for it believe that it is a good idea. But I am alarmed that we are here debating abrogating contracts. I cannot imagine that we are going to tell investors, who invested their money based on a set of guarantees, that we are going to come in and take those rights away from them. It is simply part of a mentality, that tramples on the rights of the citizenry, that I do not understand.

I am alarmed because of the nature of this action, based on good intentions, inserting a harmful provision in an amendment which is otherwise a good amendment. If we were not abrogating contracts, if we were not limiting the ability of people to exercise their freedom, I would have no objection to this amendment.

But I do not understand why, in today's society, two consenting adults have this almost religious aura of the protection of their rights to do anything except to engage in business and create jobs. Anything consenting adults do we defend with a religious zeal, unless they engage in signing a contract or build a building or trying to create jobs. And if they are trying to do that, we feel that we have the right to come in and say to them we are changing the rules of the game right in the middle because we know better than they know.

Mr. President, I hope that this amendment will be tabled. We are dealing with the managers' amendments that are normally noncontroversial, at least in the minds of the committee.

This is a totally different issue. This is an issue that we have not debated yet in committee. I was there ready to offer amendments. We did not have a quorum available to hear the debate and to vote on it. I think this is something that ought to be dealt with separately. I know that many others disagree with that. But this is something I feel very strongly about and that I intend to oppose vigorously if it becomes part of this bill.

I yield the floor.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan [Mr. RIEGLE].

Mr. RIEGLE. I thank the Chair. I will be very brief. I know the Senator from Missouri is waiting to speak and will shortly do so.

I very strongly support this amendment that is being offered by the Senator from Connecticut and the Senator from Missouri. Unfortunately, I cannot support adding it to the managers' amendment, and so that creates a contradiction, in a sense.

But I want to say, just with respect to the substance of the amendment, it has been pointed out I think there are some 71 or 72 cosponsors of the legislation. We do not usually get much higher than that here in a 100-Member body in terms of cosponsorship of an issue.

So I think it validates powerfully the importance of this issue, the very substantial bipartisan consensus that exists with respect to wanting to correct a major problem out there. I think the overwhelming body of evidence is to that effect. And so I want to see this legislation enacted at some point.

The problem that we have and I have with adding it to the managers' amendment is this: We have a custom and a practice in the Banking Committee that when we—the ranking minority member, Senator GARN, and myself—develop a managers' amendment what we do is we attempt to take any item that is coming from either side of the aisle that can properly go into the bill and which constitutes a balance of items that can go as a whole, as a package, as a so-called managers' amendment. And once we have reached that definition and bring a managers' amendment to the floor, we have a practice in which we stand together to support the managers' amendment, and we do not add or subtract from it because of the fact of the very nature of how we put it together.

So that forecloses me in this situation from being able to vote for the Senator's amendment as an addition to the managers' amendment. Were it to be offered at some other time in the bill in a different fashion, not as part of the managers' amendment, then I think that is a different situation, and it certainly would free me up.

So I want to make it very clear that I think on the substance of this amendment what the Senator from Connecticut and the Senator from Missouri and others have supported, including myself, is sound public policy. I regret that I think it is not appropriate to add it here now as part of the managers' amendment under the circumstances that apply and very particularly for myself having put that managers' amendment together with the Senator from Utah, as I have.

So I will be voting to table, although I strongly support the substance of the amendment.

I yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri [Mr. BOND].

Mr. BOND. Mr. President, I am pleased to rise to support this amendment to the GSE bill offered by my colleague from Connecticut. As has been noted already, we have tried twice in the Banking Committee to have a markup, discuss, debate, and approve or disapprove the limited partnership rollup measure. Twice we have been unsuccessful. I think this is the right opportunity to raise this important issue because, unfortunately, it appears that this may be our best and only opportunity to discuss, debate, and to vote on this protection for limited partners.

It is essential. It is timely. It is extremely important to many limited investors, limited partnership investors in my State and across the country.

Last year we introduced S. 1423 to help curb the abuses of limited partnership rollups, and last year 300,000 limited partners were rolled up. Proposed rollup transactions have been reduced because of the discussion and debate over this issue and the concerns about it, but the practice is far from over.

There are currently 8 rollup proposals pending at the SEC, potentially affecting some 170,000 investors across this country. This means there are 170,000 people out there who are running scared of being rolled up and consequently made to lose what has been on the average some 63 percent of their investment.

These people are not so-called special interest groups. They are mostly middle-class Americans who have invested in limited partnerships for their retirements, for their children's education, and for other purposes. My State of Missouri has over 163,000 of these limited partners. They each have an average investment of $10,891. That means that Missouri alone has almost $1.8 billion invested in limited partnerships.

These are not trifling numbers we are dealing with. These people need to be protected.

The Missouri commissioner of securities recently wrote to me before the last committee markup and voiced his

support for S. 1423. He wrote—and this is from John Perkins, commissioner of securities:

In my capacity as Commissioner of Securities for the State of Missouri, I am writing to express my support for S. 1423, the "Limited Partnership Rollup Reform Act," now pending before the Senate Banking Committee.

The Committee has compiled convincing evidence that the limited partnership roll-up process is urgently in need of federal overhaul so as to curb abusive practices on the part of some roll-up sponsors and to restore to limited partners the opportunity for meaningful and informed decision-making. It is my view that the solution to this problem may be found in S. 1423. This legislation is a carefully-crafted and narrowly-drawn package that goes straight to the heart of the worst of the current roll-up abuses.

Key provisions of the proposed measure recognize for federal regulatory purposes the important distinctions between roll-up transactions and the more traditional corporate restructurings for which the federal securities laws originally were designed. It is appropriate that adjustments be made to the federal rules and regulations governing the roll-up process—as contained in S. 1423—in order to remedy the pervasive investor abuses in these transactions and to restore investor confidence in these markets.

Specifically, I support the following reforms included in S. 1423:

Dissenters rights;

Prohibitions on "supermajority" voting rights;

Restrictions on increased fees and compensation to the general partners sponsoring the roll-up;

More meaningful and understandable disclosure to limited partners facing a roll-up;

More informed limited partner decision-making through permissible communication among limited partners, access to limited partner lists and more adequate time in which to consider the proposed roll-up; and

Independent fairness opinions and appraisals.

The extensive review conducted by the Banking Committee and its Securities Subcommittee of limited partnership roll-ups has provided abundant documentation as to the abuses suffered by limited partners caught in the cross-fire of these transactions. This is a major problem area today in investing and it cries out strongly and insistently for swift action on the part of Congress. Accordingly, I respectfully urge the swift adoption of all the elements of S. 1423.

The commissioner is not the only person in Missouri from whom I have heard supporting this legislation. A doctor from St. Peters, MO, wrote to me in March this year:

I personally have had the misfortune to be involved in 2 rollups in which I lost a substantial amount of my investment, even though I voted against the rollups in both instances. I had absolutely no recourse, no way to protect myself. I do not think that general partners should be able to take my investment, make an enormous fee, and reduce the value of my investment by 65 to 80 percent.

A financial planner from Chesterfield, MO, wrote last September:

Many of my clients have lost literally thousands and thousands of dollars because their limited partnership investments have been rolled up. Even though they voted against their respective rollup, they found they had no choice. The worst yet, is that their partnership had to pay fees for the rollup, which they voted against. Does this seem fair to you?

The answer to that question, very simply, is "No." It does not sound fair to me. I think this rollup reform legislation is essential to protect investors like these from abusive rollups.

The SEC has taken an important first step in beefing up the disclosure requirements, but more needs to be done. Most important, these investors need dissenters' rights and proxy reforms in order to be adequately protected. I believe by implementing this legislation we will be relieving some of the fears of these limited partners, that they have no other choice but to be rolled up.

It has been argued that this legislation would somehow rewrite the terms of the original partnership agreement. Ironically, it has been the attempts by general partners completely to rewrite the original terms of these limited partnership contracts that created the need for this legislation in the first place. These rollup transactions have been a classic bait and switch scam. Investors who made an investment based on one set of terms have ended up with a completely different investment on much different terms after a rollup. Investors who agree to participate in a partnership with one group of assets ended up in a partnership with a completely different set of assets. Investors who agreed to participate in a partnership ending in 7 to 10 years ended up in a partnership that lasts forever. Investors who agreed to a contract which assured general partners would be paid based on the performance of the partnership ended up in a partnership where their general partner got paid first, despite declines in asset values, through the fees connected with the rollup. Investors who agreed to a contract where limited partners had most of the voting power ended up in a partnership where the limited partners had very little—virtually no voting rights at all.

The legislation does not rewrite the terms of the original partnership contract. Indeed, it helps keep the original contract intact.

I have also heard over and over again that the bill mandates dissenters' rights. This is simply not true. The bill requires the exchanges to determine how best to protect the rights of limited partners, including dissenting limited partners. The exchanges may or may not choose to require dissenters' rights as part of its listing standards. It is certainly not mandated by the legislation.

But I want to remind my colleagues that dissenters' rights are available to corporate shareholders in virtually all the States. There is no reason why the exchanges should be foreclosed from providing this protection to investors in limited partnerships.

The national securities exchanges have traditionally used their listing standards to provide a basic level of protection to investors in securities traded on their exchanges. This bill is consistent with that approach, by requiring the exchanges to consider and adopt standards for protecting the rights of investors in limited partnership securities. Indeed, some of the exchanges have already proposed changes to listing standards as the result of abusive rollup transactions.

The SEC has also used its authority under the Federal securities laws to ensure that listing standards protect the rights of investors. For example, the SEC sought to prevent the stock exchanges from permitting transactions that would have reduced the voting rights of existing stockholders even if the transaction was approved by the stockholders. Just as with rollups, those transactions sought to fundamentally rewrite the terms of the original contract between the corporation and its shareholders.

Contrary to what some may believe, I think that future investments in limited partnerships will be stimulated if the limited partners' potential investors know they will have some rights, some recourse in the face of a proposed rollup.

This should not be a controversial issue, Mr. President. The fact that 71 colleagues have sponsored this legislation indicates that there is broad-spread support for this measure.

If anybody has any questions about the need for this legislation, I urge them to do what I have done: Contact the commissioner of securities in your State. Is it a problem in your State? Are there limited partners who are faced with losing a significant portion of their investment and their voting rights by proposed rollup transactions?

I think you will find the securities commissioners support it. I think you will find there are significant numbers of limited partnership investors in each of your States who would be adversely affected by rollups, if they are not given some kind of protection.

What we are seeing is a new version of a cram-down in the bankruptcy courts, but this is called a rollup of limited partnership assets. This is our chance to act quickly to put a stop to abusive rollups. The investors need help, and I urge that my colleagues support this amendment and help us enact these basic protections into law.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Connecticut [Mr. DODD].

Mr. DODD. Mr. President, I ask unanimous consent that the list of all of our cosponsors, all 73 in the Senate, be printed in the RECORD at this particular point.

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

S. 1423 Sponsorship Status, June 23, 1992

DEMOCRATS

Dodd, Riegle, Bryan, Dixon, Graham, Sanford, Sarbanes, Wirth, Kerry, Cranston, Sasser, Shelby, Mikulski, Robb, Leahy, Inouye, Simon, Johnston, Wofford, Lieberman, Levin, Metzenbaum, Fowler, Akaka, Hollings, Pryor, Baucus, Heflin, Kohl, Adams, Gore, Pell, Kerrey, McCain, Harkin, Burdick, Wellstone, Glenn, Bingaman, Breaux, Bentsen, Nunn, Bradley.

REPUBLICANS

Bond, D'Amato, Kassebaum, Domenici, Mack, Brown, Seymour, Cohen, Burns, Smith, Craig, Jeffords, Stevens, Packwood, Lugar, Lott, Coats, Kasten, Symms, Murkowski, Rudman, Warner, Conrad, Grassley, Chafee, Durenberger, Nickles, Danforth, Pressler, Simpson.

Total Senators sponsoring: 73.

Mr. GRAHAM. Mr. President, I wish to add my support for prompt adoption of Senator DODD's amendment to S. 2733 which would facilitate changes to regulations regarding limited partnership rollups.

In a limited partnership reorganization, or rollup, general partners merge several limited partnerships from fixed holdings into exchange-traded infinite life investments. This means that the investment constantly reinvests its proceeds from asset sales, and the limited partners do not receive their portion of the proceeds as originally agreed to. Rollups have been estimated to cause the value of the investment to drop an average of 69 percent.

Often a limited partnership is rolled up with little knowledge or understanding by the limited partners, because the proxy statements are lengthy and confusing, there is no one from whom the investor can seek unbiased advice, and votes may be reduced in value when the rollup is considered by all the partners.

Of the 11 million limited partners nationwide, 8 million are small investors with an average investment of $10,000. I have received hundreds of letters in the last several months from Floridians calling for this reform legislation to be passed by Congress. In Florida alone, there are an estimated 447,920 limited partner investors, with the average investment of $12,322, and an overall investment amount of $1,224,568,994.

As one of over 70 cosponsors in the Senate, I believe it is time to move this legislation which requires early, complete, and understandable disclosure to limited partnership investors solicited in rollup transactions. In addition, this amendment allows communication between investors wishing to oppose a rollup; removes the present incentive for brokers and market professionals to pressure investors into a rollup and provides investors with an alternative to the rollup so that they are not forced into an investment against their wishes.

I am supportive of Senator DODD's amendment and am hopeful of its prompt adoption.

Mr. HARKIN addressed the Chair.

Mr. DODD. Mr. President, let me commend my colleague from Missouri for his statement. It was an excellent statement. He very clearly has identified the issue. I particularly want to pick up on the last comment he made. I think it is worthwhile.

There may be some people here who have not followed this legislation over the last couple of years, but if they are wondering whether or not this is worthwhile, I think the suggestion of the Senator from Missouri is an excellent one: Call you commissioner—or whatever the proper title is in your State for the person responsible for these particular securities regulations—and you will get, I think, a very clear and convincing response.

I might further suggest if you have any questions from the business side, call the people involved in this business. They support it as well; not to mention, of course, the organizations representing investors.

I mentioned earlier the prospectuses that came out. This is one of them, Mr. President. This is 700 pages long. For a $10,000 investment, you are supposed to read and understand what is included here. I realize this may not be the appropriate bill. But as the Senator from Missouri pointed out, we do not have many appropriate bills left, and this is one that is available to us to try and get something done on this legislation.

But talk to the 8 million investors in this country, with the average investment of $10,000, and tell them to look at this and read it and see if they can understand it. Most of them cannot. This is needed legislation.

Unfortunately, we were not able to bring it up under the proper circumstances because the rules of the Senate allow individuals to object. So we are left with this opportunity this morning and my hope is we will adopt it as part of this legislation. The House, almost unanimously supported the legislation. Here is a chance for the Senate to do something.

There are 8 million limited partnership investors across this country. There are about 150,000 in my State alone who are involved in these limited partnerships. There have been tremendous abuses.

My colleague from Texas said there is just a handful of people—special-interest groups—supporting it. Here are some of the letters I have received, literally dozens of them here. I will not ask that they be printed in the RECORD, because it would take too much space.

But this is not just some handful of people. There are literally thousands of people in this country who have lost their life savings. Here is a chance to do something about it. We will not have another chance between now and November, or between now and when we adjourn.

So unfortunately this may go down. We will keep trying, I suppose. But here is a very modest attempt to deal with a piece of legislation that can make a difference.

Mr. President, let me also address the issue of contract rights that was raised by the junior Senator from Texas. This is a red herring, if I ever heard of one. What we are talking about is a new entity here, a rollup. A limited partnership is one thing; a rollup is another. So I want to make sure that people understand what we are talking about is a changed set of circumstances when a rollup occurs.

As a technical and legal matter, Mr. President, we are not touching the original partnership agreement with this legislation. The original partnership agreement remains intact. We are simply saying that when rollup securities are listed on an exchange or on NASDAQ, that they must meet certain standards for protecting limited partners.

We are not touching the limited partnership. But if you want to list on those exchanges, you have to meet certain standards. That is what we are asking. We are saying you do not have a right to list on a national securities exchange or on the NASDAQ unless you can provide certain basic protections for those limited partners.

I also would point out that if you want to focus on the fine print in the limited partnership agreement, which apparently the junior Senator from Texas does not—but if you would look closely at those partnership agreements, it is only fair to say that when the investors bought their original limited partnerships, the offering statement set forth a number of rights for the limited partners that are severely reduced as a result of the rollup that occurs later. Those rights are being abrogated. What about their contract rights? Let me focus on just a few of them, if I can; what investors expected.

They are told they can expect a finite life investment—that after 8 or 10 years, the assets would be sold and the proceeds would be distributed to them. That is changed when that investment ends up in one of these rollups. But I do not hear anyone saying anything about contract rights being changed for the investor in that particular case.

Investors expected that the limited partners would be paid first. The limited partnership agreement said investors would have a priority over the general partners. That is used as one of the attractive features of limited partnerships.

That, of course, gets changed in the rollup. After the rollup, investors no longer get paid first. In most cases, as a result of a rollup, the general partners have been able to take large equity interests and huge fees with no equity investments on their part at all.

Third, Mr. President, investors expected that they would have certain voting rights; that a majority of limited partners would be able to remove the general partner, or to call a meeting to liquidate the partnership. That, of course, is changed when the rollup occurs. But I did not hear my colleague talk about the contract rights being violated once you ended up with this new entity.

Many of these original limited partnerships had very strict prohibitions against conflicts of interest on the part of the general partners. In many rollups, those protections are taken away. And in many of these deals, management is able to engage in transactions with affiliates, with large fees paid to those affiliates. Those are fees that come out of the pockets of the investors.

In fact, in most rollups, it is the general partners whose rights are increased as a result of the rollup, and limited partners have their rights reduced. So you went into the limited partnership with one set of guarantees, but once the partnership is rolled up, you have a different set of rights, and in most cases, the investor is the loser. They are the losers.

All we are trying to do here is to protect against those abuses. That is all. I want to emphasize again, most of these limited partnerships are good investments. Most of these managers do a very fine job. But unfortunately, there are those who abuse the system, and that is what is occurring here. We are just trying to change it.

That is why there are some 73 cosponsors. That is why State securities commissioners support this legislation. That is why the business community does, as well. They know abuses are occurring. They want it changed, as well. They are being hurt by this because there are those who take advantage of innocent people. They get hurt when they are trying to engage in sound business practices, and that is why it is important that we get this done.

Even those investors who vote against a rollup, who make their way through the disclosure documents, weighing 3 or 4 pounds, as I have shown already—here is one of them—even those investors who voted against rollups have had, again and again, bad deals crammed down their throats. That is what this is all about.

Mr. President, I have received hundreds of letters, as my colleagues have, from investors. But none of them have said, "Please, Senator, don't change the law to prevent abusive rollups, because you are changing our contract rights." They have asked us to change the law to protect their rights. They aren't asking for a guaranteed return on their investment, but basic rights.

I say to my colleagues today, do not tell me we are changing the terms of a contract. We are modifying the law a bit to see that investors are protected when the arrangements they originally went into are changed. And that is what a rollup does.

So, Mr. President, I urge the adoption of this amendment. I believe it is a sound amendment. It is one that a lot of work has gone into. We have had long hearings on this. We have been through it twice already in the committee. We have been very patient. We sat around the other day for several hours trying to mark up the bill, but, as the Senator from Texas has a right to do, he demanded that a full quorum be present during a markup.

Now, usually, as a normal practice here, that is not insisted upon because everyone knows how difficult it is to maintain a full quorum during an entire markup. But he has the right to insist upon it, and he insisted upon that right, and we could not keep a quorum in the committee. As a result, we were not able to complete the markup, and that is the reason we are here today because we have no other choice.

I hope, for the 8 million investors in this country, as I said, with an average investment of $8,000 to $10,000—many of them by the way are seniors. It is their only investment, Mr. President. What we are trying to do is to give them some modest protection for that kind of an investment. And here they are expected to understand a 700-page document. You would have to hire a 40-member law firm to read through this to understand it. This is how they get taken to the cleaners; how these deals get jammed down their throats, and they are asked to pay a price. All we are trying to do is give them some modest protection. So I urge the adoption of this amendment.

Mr. President, I yield the floor.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, the Senator from Connecticut has outlined the procedural situation and what did take place in the Senate Banking Committee. I have been a Member of this body for nearly 18 years, and I certainly fully understand the rules and the rights of my colleagues. But on the other side of that coin is where the chairman and I have been very patient and have tried to put this GSE legislation together for 2 years—2 years we have been patient. We have worked with a lot of different parties to try to craft a bill that would be acceptable and protect some $900 billion in these Government-sponsored enterprises.

As I spoke yesterday in my opening statement about this, although there is not a guarantee of these funds, there are a lot of people who think there is, there is an implicit guarantee, and no one wants a repeat of the S&L crisis. So I do not want anybody to misunderstand that this GSE bill, although a lot of people say, what are GSE's, does not make it any less important. This is a very important bill. I wish it were possible for us to go through and consider the GSE bill on its merits without extraneous amendments.

Now, again, I recognize the rights of my colleagues to offer this amendment, balanced budget amendments, all sorts of other amendments. That is their right under the rules. But I want everybody to understand the importance of this GSE bill and why the chairman and I made an agreement on the managers' amendment that we would resist all amendments to it for that very reason, to protect the integrity of this bill and its importance for $900 billion, to make these enterprises more safe and more sound so, again, we do not have a repeat of the S&L crisis.

So although I agree that there is a need to do something about the rollup situation, I do not disagree with my colleague from Connecticut, I do have some disagreements in substance; there are some changes I would like to see in that bill, and if it came to the floor separately I would try to work some of those changes out, say that I think it could be improved. But under the circumstances of the chairman and I trying to move this GSE bill and now having all sorts of nongermane amendments offered to it, if there is no further debate, I would——

Mr. RIEGLE. If the Senator will yield for 1 minute, I want to add a comment to his and underscore something he said. I want to stress to colleagues the importance of this GSE legislation. As the Senator from Utah has just pointed out, we have $900 billion in outstanding commitments through Freddie Mac and Fannie Mae. What this legislation is designed to do is to strengthen the capital standards that underpin these two massive organizations. We have brought a bill to the floor to do that at the specific direction of the Senate itself, because the Senate earlier passed a sense-of-the-Senate resolution instructing us to take precisely this action, and we have done so.

It has taken us many months because we have held hearings. We have listened to all interested parties. We have considered all points of view. And we have drafted legislation that provides a stronger capital structure for these GSE's, which I think is very important we put in place, particularly so after the experiences we have had in the financial industry generally with banks and savings and loans. We need to have a stronger capital structure in place and a stronger regulatory apparatus in place. We accomplish that in this legislation.

Additionally, there is another very important part of it. We also help direct a large percentage share of this stream of capital in the direction of home mortgages for lower-income peo-

ple in America. And those are people today who are trying to climb up the economic ladder rung by rung and in many cases are finding it difficult to secure mortgage lending so they can buy a house.

We all know that for people who are trying to get ahead financially, those who finally acquire an asset base, it usually comes in the form of being able to buy a house and begin building equity in home ownership. We increase the share of this flow of capital going to people, particularly in inner city areas.

We know from the problems we have seen in Los Angeles and other places it is very important that we get more of a flow of capital moving into these inner city areas where people can have access to mortgage credit so they can buy homes, become homeowners, and establish an equity stake in that fashion. It makes for stronger, more stable neighborhoods, more secure neighborhoods.

That is the second fundamental purpose to this legislation. We make a measurable increase in the flow of home mortgage capital to lower-income people in this country. They still have to qualify. They still have to meet the other standards. But then they are going to have more access to home mortgage loans.

So the stronger capital standards on the one hand, the greater flow of capital into these neighborhoods that really need more capital investment in terms of home mortgages, these are the two central purposes. Frankly, we ought not to let this legislation go down because there is an effort to try to add to it other proposals that may, in fact, be meritorious in their own right, as clearly I think this amendment is, as I have stated before. But to try to load it now on this legislation I think clearly jeopardizes the likelihood that we can get this legislation passed.

If we do not pass the underlying bill, which we have been charged to do, then I think we leave a greater measure of risk out there in the financial system. Taxpayers, in fact, are on the hook standing behind, if you will, the $900 billion worth of outstanding credit obligations that are there, and we will also forego the opportunity to get some capital and some oxygen down into those inner city areas that desperately need it.

So let us not lose this bill at this point. This is an important piece of legislation that is directly in the public interest.

Mr. DODD. Will my colleague yield?

Mr. RIEGLE. Yes, of course.

Mr. DODD. I appreciate it. I thank both of my colleagues for their patience on this. And I appreciate the difficulty both of the Senators have to operate under as the chairman and ranking minority member of the committee. I want to express my apologies. I would have much preferred to bring this out free standing. I tried, as I think both of my colleagues understand. We had an objection. The full quorum for a committee markup was insisted upon, and, as a result, it was virtually impossible, de facto impossible, for me to move the legislation.

I understand the importance of the GSE legislation. I commend both Senators for it. But I have to tell Senators as well, when I see lender liability, money laundering, RTC statute-of-limitations extension, these are not exactly just GSE related issues. We are dealing with some other issues here, and I appreciate the agreements that get struck, but nonetheless we have legislation with 73 cosponsors, 17 members of the Banking Committee. There are a lot of these proposals here that did not even come close to that kind of support institutionally. Because of one Member, who can exercise his rights, a very important piece of legislation affecting potentially 8 million people in this country and $130 billion of investments—it seems to me something with that level of support, supported by the industry, supported by State regulators, supported across the board, we ought to try to accommodate them.

But I appreciate the difficulty in offering it. I wanted to make the point here that this managers' amendment includes a lot of other issues that are not just GSE matters.

Several Senators addressed the Chair.

Mr. RIEGLE. If I may just for a moment, and then I will yield, the Senator is quite right in what he says. He has been most diligent, along with his cosponsor from Missouri, in pushing the issue through the committee. I have been very supportive of that.

We were denied a quorum at the time that we needed to have one in order to be able to report the bill out, and objection was filed by one Member. So the process was thwarted at that point, notwithstanding the fact there are some 72, 73 cosponsors of the legislation, including myself.

But I have to add in addition to the point I made before, and the point the Senator just made. That we have in this managers' amendment by consent on both sides of the aisle other items that I have not mentioned that I think are absolutely vital. And the extension of the statute of limitations for people who engage in the savings and loan fraud, for example, is a tremendously important provision. That provision is in here.

We have to be very careful that we do not sink this legislation because if we sink the legislation we are going to sink that provision. That is part of the managers' amendment. It is a very, very important and valuable provision in that package.

There are some people who do not want that. There are some people who would like to see that go down. I know the Senator from Connecticut wants it in there, as do I. But there are others who would just as soon find some way to sandbag this whole piece of legislation so that that one item in the managers' amendment goes down the drain.

It needs to be in there. It is in there for a reason. So I think again we have to be very mindful that, under the parliamentary situation we find ourselves in, we run the risk of sending this whole package down the drain, not only the GSE legislation, which is very important in its own right, and the main purpose that we are here, but also other items in the managers' amendment that I think are vital elements of public policy and may be the last chance we will have this session to get them through.

I realize that is the argument that the Senator from Connecticut makes, but there are times when we may be able to accomplish eight objectives simultaneously and not be able to add the ninth without losing all nine. That is the situation that I think we find ourselves in.

There is one other item that is in there, which is very important to the Senator from Connecticut. That is the Presidential Insurance Commission. That is in there, because the Senator argued strongly and persuasively for that. I have supported that. It is in the legislation. If this bill carries on through, that will take effect. And again, the risk we run in terms of possibly losing the entire underlying bill is to lose the managers' amendment in which that item is present, which the Senator from Connecticut is the lead person on.

So I know we are always torn with these conflicting objectives here. But I want to say again that this legislation as a package, as it is now on the floor, is vital public policy. If we lose it all by reaching for one more thing, we will not have gained; we will have lost.

Mr. DODD. Mr. President, I ask unanimous consent that a section-by-section analysis of the Dodd-Bond amendment to S. 2733 relating to limited partnership rollup reform be printed in the RECORD.

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

DODD/BOND AMENDMENT TO S. 2733—SECTION-BY-SECTION ANALYSIS OF THE LIMITED PARTNERSHIP ROLLUP REFORM ACT

SECTION 1. SHORT TITLE.

This section sets forth the short title of the Act, the "Limited Partnership Rollup Reform Act of 1992."

SECTION 2. REVISION OF PROXY SOLICITATION RULES AND DISCLOSURE WITH RESPECT TO PARTNERSHIP ROLLUP TRANSACTIONS.

This section adds a new Section 14(h) to the Securities and Exchange Act of 1934 to require that the SEC adopt, pursuant to its existing authority under Sections 14(a) and 14(d) of the Exchange Act, special proxy solicitation and tender offer rules to apply to limited partnership rollup transactions.

Communications among securityholders.

New section 14(h)(1)(A)(i) would require the SEC to adopt rules to permit holders of securities in a proposed limited partnership rollup transaction to engage in preliminary communications with other limited partners, for the purpose of determining whether to solicit proxies, consents, or authorizations in opposition to the proposed transaction. Under the SEC's current proxy rules, limited partners (like security holders generally) may not engage in preliminary communications that constitute a solicitation with more than 10 or more limited partners, unless they file soliciting material with the SEC. The Committee heard testimony that, given the complicated nature of rollup transactions, limited partners have sought to communicate with each other to obtain information and determine whether to oppose a pending rollup. This section would clarify that limited partners may communicate with each other without being in violation of the SEC's proxy solicitation rules. SEC rules relating to fraudulent, deceptive or manipulative acts or practices would continue to apply. This section is not intended to affect the SEC's current rulemaking proceeding relating to communications among corporate shareholders and other security holders, including limited partnership investors. If, at the completion of the SEC's proceeding, security holders are given broader flexibility to communicate with each other, limited partnership investors would enjoy those rights also.

Securityholder lists.

New section 14(h)(1)(B) would require the SEC to adopt rules to require the issuer to provide limited partners involved in a rollup transaction a list of names of other limited partners involved in the proposed transaction. The SEC would determine, by rule, the terms and conditions under which lists would be furnished. This responds to concerns that, in the past, general partners have withheld from limited partners the names of other investors, in order to prevent them from organizing to vote against a rollup transaction. This new section would enable investors to get the information they need in order to communicate concerns related to the proposed partnership rollup transaction to other limited partners. This section is not intended to affect the SEC's pending rulemaking proceeding relating to access to security holder lists by corporate and other security holders, including limited partnership investors.

Differential compensation.

New section 14(h)(1)(C) would require the SEC to adopt rules to prohibit compensating any person soliciting proxies, consents, or authorizations from securities holders concerning a limited partnership rollup transaction: (i) on the basis of whether the solicited proxies, consents, or authorizations either approve or disapprove the proposed transaction; or (ii) if such compensation is contingent on the transaction's approval, disapproval, or completion. This section would address the conflict of interest that arises if a person (for example, a broker-dealer or proxy solicitor) is soliciting proxies and being compensated for the delivery of a specific outcome, generally, approval of the proposed partnership rollup transaction. NASD rules implemented in 1991 prohibit NASD members from accepting compensation based upon the outcome of a transaction. This section would close a potential gap in the NASD rules and apply this prohibition to nonmember proxy solicitors as well.

Full and fair disclosure.

New section 14(h)(1)(D) requires SEC rules related to specific limited partnership rollup disclosure. These provisions generally codify SEC rules promulgated in 1991 requiring clear, concise and comprehensible disclosure in the following areas:

(i) any changes in the business plan, voting rights, form of ownership interest or the general partner's compensation in the proposed partnership rollup transaction from each of the original limited partnerships;

(ii) the conflicts of interest, if any, of the general partner;

(iii) whether it is expected that there will be a significant difference between the exchange value of the limited partnership and trading price of the securities to be issued in the partnership rollup;

(iv) the valuation of the limited partnership and the method used to determine the value of limited partners' interests to be exchanged for the securities in the partnership rollup transaction;

(v) the differing risks and effects of the transaction for limited partners in different partnerships proposed to be included, and the risks and effects of completing the transaction with less than all partnerships;

(vi) a statement by the general partner as to whether the proposed rollup transaction is fair or unfair to investors in each limited partnership, a discussion of the basis for that conclusion, and a description of alternatives to the partnership rollup transaction, such as liquidation;

(vii) any opinion (other than an opinion of counsel), appraisal, or report that is prepared by an outside party and that is materially related to the rollup transaction and the identity and qualifications of the party who prepared the opinion, appraisal or report; the method of selection of such party and material past, existing, or contemplated relationships between the party, or any of its affiliates and the general partner, sponsor, successor, or any other affiliate, compensation arrangements; and the basis for rendering and methods used in developing the opinion, appraisal or report; and

(viii) such other matters deemed necessary or appropriate by the SEC.

This section also requires that the soliciting material include a clear and concise summary of the limited partnership rollup transaction, with the risks of the transaction set forth prominently in the forepart of the summary.

Minimum offering period.

New section 14(h)(1)(E) provides that SEC rules require that all shareholders have at least sixty calendar days to review a limited partnership rollup transaction disclosure document, unless a lesser period is required under state law. Due to the complex nature of rollup transactions, witnesses testified that solicitation materials and other disclosure documents are lengthy and complicated. The overwhelming majority of those invested in limited partnerships are individual investors, who may need an extended period of time to review and analyze the proposal, communicate concerns, and offer alternatives. This provision gives them additional time in which to conduct their review, unless applicable state law mandates a lesser period of time.

Exemptions.

New section 14(h)(2) would give the SEC broad authority to exempt by rule or order securities, transactions and persons or classes of persons from the requirements imposed pursuant to new section 14(h)(1) and from paragraph 4, which defines limited partnership rollup transactions. It is intended that the SEC use this authority to exempt those transactions that do not involve the potential for abuses of the kind that led to development of the legislation.

Effect on commission authority.

New section 14(h)(3) states that nothing in the bill shall be construed to limit the SEC's authority under subsections (a) or (d) of section 14 of the Exchange Act or any other provision of the securities laws or to preclude the SEC from imposing, under subsection (a) or (d) or any such other provision, a remedy or procedure required to be imposed under this subsection.

Definitions.

Section 14(h)(4)(A) defines the term "limited partnership rollup transaction" to mean a transaction involving the combination or reorganization of limited partnerships, either directly or indirectly, where some or all investors in the limited partnerships receive new securities or securities in another entity, but it provides exceptions for certain kinds of private transactions or other transactions in which the protections of the Act are not called for. In addition, new section 14(h)(4)(b) defines the term "limited partnership rollup transaction" to include the reorganization of a single limited partnership in which some or all investors receive new securities or securities in another entity, if the transaction meets certain specified criteria in the bill.

Transactions involving the combination or reorganization of multiple partnerships.

Transactions involving multiple partnerships defined as "limited partnership rollup transactions" are covered by the bill in Section 14(h)(4)(A), with the exception of the following:

(i) a transaction in which the limited partnership securities already trade on a national securities exchange or on the NASDAQ/National Market System (and, therefore, have met specific listing requirements and can be sold readily on a liquid market);

(ii) a transaction involving issuers that are not required to register or report under section 12 of the Exchange Act both before and after the transaction;

(iii) a transaction in which the securities are not required to be registered or are not registered under the Securities Act of 1933 (for example, private placements, Regulation D offerings, securities issued in bankruptcy proceedings, certain exchange offers);

(iv) a transaction where there will be no significant adverse change to investors in voting rights, the term of existence of the entity, management compensation, or investment objectives; or

(v) a transaction where each investor is provided an option to receive or retain a security under substantially the same terms and conditions as the original issue.

The phrase "directly or indirectly" is intended to make clear that multiple or step transactions that are meant to circumvent the purposes of the legislation would be included in the definition of "limited partnership rollup transaction." However, if one or more partnerships convert to corporate form in full compliance with the legislation, a subsequent unrelated merger of the corporations would not trigger the provisions of the Act.

The reorganization of a single limited partnership.

Transactions involving a single limited partnership meeting the definition of "lim-

ited partnership rollup transaction" are covered by the legislation if they meet *all* of the criteria set forth below. These criteria are intended to parallel the exemptions applicable to multiple-partnership transactions.

(i) the securities issued in the transaction are traded on a national securities exchange or on the NASDAQ/National Market System (and, therefore, exempted from state securities registration and review);

(ii) the limited partnership securities are not exchange-traded or traded in the NASDAQ/NMS;

(iii) the issuer is a reporting company under section 12 of the Exchange Act both before and after the transaction, or the securities to be issued or exchanged are required to be or are registered under the Securities Act;

(iv) there are significant adverse changes to security holders in voting rights, the term of existence of the entity, management compensation, or investment objectives; and

(v) investors are not provided an option to retain a security under substantially the same terms and conditions as the original issue.

Exclusion from the definition:

New section 14(h)(5) excludes from the definition of limited partnership rollup a transaction involving a limited partnership or partnerships having an ongoing operating policy or practice of retaining cash available for distribution and reinvesting proceeds from the sale, financing or refinancing of assets, in accordance with such criteria as the SEC determines appropriate. This exclusion codifies the SEC's exclusion from its rollup disclosure rules of transaction involving partnerships that are not "finite-life" entities. In these kinds of reinvesting partnerships, investors typically expect that the partnership will be an ongoing reinvesting business operation, and have not relied upon the expectation that the partnership would be dissolved within a given period of time and cash distributed to limited partners. This exclusion would apply, for example, to a "clean up" transaction in which partnerships of this nature are converted to corporate form in anticipation of an initial public offering, or a transaction involving an ongoing concern which reinvests proceeds and that is set up as a partnership but is seeking to convert to a corporation or trust.

Schedule for regulations.

This section requires that the SEC adopt regulations within 12 months of the enactment date.

SECTION 3. RULES OF FAIR PRACTICE AND LISTING STANDARDS IN ROLLUP TRANSACTIONS.

Section 3(a). Registered Securities Association Rules.

This section amends Section 15A(b) of the Securities Exchange Act of 1934. It requires that the rules of a national securities association (for example, the NASD) to promote just and equitable principles of trade include rules to prevent members of the association from participating in any limited partnership rollup transaction that does not provide procedures to protecting the rights of limited partners, including—

(A) the right of dissenting limited partners to an appraisal and compensation or other rights designed to protect dissenting limited partners;

(B) the right not to have their voting power unfairly reduced or abridged;

(C) the right not to bear an unfair portion of the costs of a proposed rollup transaction that is rejected; and

(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

"Dissenting limited partner" is defined to mean a holder of a beneficial interest in a limited partnership who votes against the transaction and complies with procedures established by the NASD to assert dissenters rights.

Section 3(b). Listing Standards of National Securities Exchanges.

This section amends Section 6(b) of the Securities Exchange Act of 1934 to prohibit an exchange from listing any securities resulting from a rollup transaction unless such transaction provides for protections for limited partners as set forth in Section 3(a) of the legislation for registered securities associations.

Section 3(c). Standards for Automated Quotation Systems.

This section amends Section 15A(b) of the Securities Exchange Act of 1934 to require that the rules of a national securities association prohibit the authorization for quotation on an automated interdealer quotation system sponsored by the association of any security designated by the SEC as a national market system security resulting from a rollup transaction unless such transaction provides for protections for limited partners as set forth in Section 3(a) for registered securities associations.

Section 3(d). Effect on Existing Authority.

The amendments made by this section shall not limit or preclude the authority of the SEC, a registered securities association, or national securities exchange under the Securities and Exchange Act of 1934 from imposing, under any other such provision, a remedy or procedure required to be imposed under such amendments.

Section 3(e). Effective Date.

The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

Mr. GARN. Mr. President, I move to lay the amendment on the table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah to lay on the table the amendment of the Senator from Connecticut. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from North Carolina [Mr. SANFORD], is necessary absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 10, nays 87, as follows:

[Rollcall Vote No. 127 Leg.]

YEAS—10

Craig	Gramm	Thurmond
Dole	Mack	Wallop
Garn	Riegle	
Gorton	Symms	

NAYS—87

Adams	Durenberger	McConnell
Akaka	Exon	Metzenbaum
Baucus	Ford	Mikulski
Bentsen	Fowler	Mitchell
Biden	Glenn	Moynihan
Bingaman	Gore	Murkowski
Bond	Graham	Nickles
Boren	Grassley	Nunn
Bradley	Harkin	Packwood
Breaux	Hatch	Pell
Brown	Hatfield	Pressler
Bryan	Heflin	Pryor
Bumpers	Hollings	Reid
Burdick	Inouye	Robb
Burns	Jeffords	Rockefeller
Byrd	Johnston	Rudman
Chafee	Kassebaum	Sarbanes
Coats	Kasten	Sasser
Cochran	Kennedy	Seymour
Cohen	Kerrey	Shelby
Conrad	Kerry	Simon
Cranston	Kohl	Simpson
D'Amato	Lautenberg	Smith
Danforth	Leahy	Specter
Daschle	Levin	Stevens
DeConcini	Lieberman	Warner
Dixon	Lott	Wellstone
Dodd	Lugar	Wirth
Domenici	McCain	Wofford

NOT VOTING—3

Helms	Roth	Sanford

So the motion to lay on the table the amendment (No. 2440) was rejected.

Mr. DODD. Mr. President, I move to reconsider the vote.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment (No. 2440) was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LENDER LIABILITY PROVISIONS OF MANAGERS' AMENDMENT

Mr. GARN. Mr. President, yesterday I described the lender liability provisions included in the managers' amendment and the need for legislative action despite the recent EPA rule. I ask unanimous consent to include in the RECORD two letters I have received from the FDIC and the RTC on this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follow:

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, DC, May 21, 1992.

Hon. JAKE GARN,
Ranking Republican Member, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR GARN: The Federal Deposit Insurance Corporation is pleased to comment

on your bill, S. 651, in light of the final Environmental Protection Agency regulation on lender liability under Superfund.

We continue to support S. 651 because, although the EPA rule will provide valuable guidance to lenders, it addresses only some of our concerns. Your bill supplements the EPA rule in helping the FDIC to operate in a cost-effective manner and to sell properties. As S. 651 would exempt the FDIC from Superfund liability, provided that we have not caused or contributed to contamination, we would be able to avoid litigation to prove that our actions come within the security interest exemption or the innocent purchaser defense.

In addition, S. 651 addresses our need to market properties by extending our immunity to subsequent purchasers, provided that they meet certain criteria. Without such protection, we might not be able to sell properties affected by contamination to facilitate their clean-up by the private sector. Finally, S. 651 addresses certain issues relating to lawsuits based upon state law and third-party suits for contribution.

Sincerely,

WILLIAM TAYLOR,
Chairman.

RESOLUTION TRUST CORPORATION,
Washington, DC, May 15, 1992.

Hon. JAKE GARN,
Ranking Republican Member, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR GARN: Thank you for your letter regarding your bill, S. 651, on lender liability. Although the final rule recently issued by the Environmental Protection Agency on CERCLA lender liability is quite helpful in clarifying those activities in which the RTC may engage without incurring CERCLA "owner or operator" liability, we remain of the opinion that the most effective protection for the Resolution Trust Corporation lies in legislation.

Consequently, the RTC continues to support enactment of legislation to codify exemptions to and defenses against hazardous substance lender liability.

With best wishes.

Sincerely,

ALBERT V. CASEY,
President and CEO.

AMENDMENT NO. 2437, AS MODIFIED

Mr. RIEGLE. Mr. President, I now urge adoption of the managers' amendment.

The PRESIDING OFFICER. Is there further debate on the managers' amendment?

Mr. MITCHELL. 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. FORD. 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. 2441 TO AMENDMENT NO. 2437

(Purpose: To place a temporary moratorium on interstate branching by savings associations)

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for himself and Mr. BUMPERS, proposes an amendment numbered 2441 to amendment No. 2437.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

At the end of the amendment, add the following new section:

SEC. . MORATORIUM ON INTERSTATE BRANCHING BY SAVINGS ASSOCIATIONS.

(a) MORATORIUM.—Notwithstanding any other provision of law, no Federal savings association may establish or acquire a branch outside the State in which the Federal savings association has its home office, unless the establishment or acquisition of such branch would have been permitted by law prior to April 9, 1992.

(b) APPLICABILITY.—This section shall apply during the period beginning on the date of enactment of this Act and ending 15 months after such date.

Mr. FORD. Mr. President, I have sent to the desk, along with the distinguished Senator from Arkansas [Mr. BUMPERS], an amendment to provide for a 15-month moratorium on the implementation of recent interstate branching regulations issued by the Office of Thrift Supervision [OTS] for Federal savings associations. These regulations would preempt all State laws—let me underscore that, Mr. President—these regulations would preempt all state laws in this area, and would completely alter the very complex policy debate in the Congress on the issue of interstate branching.

The amendment which Senator BUMPERS and I submit today is offered in the spirit of compromise, so that this legislation may move forward without delay. We would have preferred to have nullified the OTS regulation altogether, by amending existing statutes to assure OTS would respect State laws. OTS has ventured into an area where Congress should ultimately make the policy choices.

However, we are also aware that this is an area which may be revisited by the Congress some time next year. The moratorium gives Congress at least an opportunity to look at the issue without having the status quo so dramatically changed by a regulation. Therefore, we are willing to compromise on a 15-month moratorium, which I understand is acceptable to the chairman of the committee—possibly not the ranking member—in an effort to move things forward.

Let me try to explain how we have come to this point. Last year, during consideration of the banking bill, the Senate adopted my amendment on interstate banking and branching for commercial banks. We did not address thrifts, but only banks. The debate essentially came down to what sort of burden the Congress should put on States in deciding whether or not they wanted interstate banking and branching. My amendment had one approach, and Senator BUMPERS offered another approach through his amendment.

But both amendments left the fundamental decision of whether to allow interstate branching to States. It has always been a State's decision, and should remain so.

It was clear during our debate last year that certain State's rights simply had to be respected. For instance, many States restrict interstate banking activity to the acquisition of existing institutions within their borders. They do not allow out-of-State holding companies to simply come in and set up new branches. They wish to protect the franchise values of their own institutions. Many States also require that only those institutions which have been in existence for more than a certain period—say, 3 years of 5 years, for instance—may be acquired. Other States reserve the right to block interstate acquisitions if it would result in an out-of-State bank holding company controlling more than a certain percentage of banking deposits in that State.

As everyone knows, the interstate branching language adopted last year for banks was dropped in the conference committee when no agreement could be reached on a broader bill. Then, out of nowhere came the Office of Thrift Supervision. Once our debate over banks was out of the way, OTS saw its chance to act on interstate branching for savings and loan institutions. On December 30, 1991—think about this now—on December 30, 1991, OTS proposed an interstate branching rule for thrifts that is such a wild departure from the parameters of the debate in Congress that it should alarm every Senator. The OTS rule is such a dramatic change in our policy that it will fundamentally shift any future debate we may have in this body on interstate banking and branching for banks or thrifts.

The OTS has now expressed its clear intention to preempt State laws in this area. Under the new rule, federally chartered thrifts will be allowed anywhere in the country, regardless of whether State laws permit it and regardless of any reasonable conditions which State law may require.

Senator BUMPERS and I may have differed slightly in our approaches to this issue for banks last fall, but we are absolutely united in our outrage over this new rule for S&L's. I would think any Senator who supported either of our versions would share these views.

The OTS is attempting to railroad through a major policy change which it knew could not pass the Congress, at a time when Congress is not focused on this issue; namely, December 30, 1991. The proposed rule was announced on December 30, between the holidays. It

was given only a 30-day comment period; 25 Senators objected to this rule in writing, and requested an extended comment period. This request was ignored. The OTS ignored the written request of 25 Senators. A few weeks later, OTS Director Ryan informed me that they were going forward with the new rule. They waited for the RTC funding bill to run its course, and then on April 9, OTS announced that this rule would become final.

This dramatic shift in policy for S&L's goes well beyond anything which we debated for banks on the floor last year. I believe it is a power grab by OTS of the most blatant kind. I believe it is a power grab that we should put a moratorium on. State chartered thrifts will have every incentive to convert to federally chartered thrifts. And any future debate on this floor relating to banks will not be based on what is the best policy. It will be based on what the thrifts already have. Forget about States rights. Forget about protecting the franchise value of existing institutions in your State. Forget about the system of dual regulation in this country.

Mr. President, the dangers and benefits of interstate branching are still the subject of much debate. States are our laboratories right now on this issue. They are experimenting with the issue, and there are a variety of different schemes in place today. I believe this must be respected. I believe this is the most logical way to approach the issue. It is also the most sound. The wide open solution imposed on the thrift industry by OTS may ultimately prove to be the most unsound.

So the amendment which Senator BUMPERS and I offer today is needed. It merely restores the status quo on this issue. It says federally chartered thrifts can branch interstate, but only if States allow it. This was the law before OTS changed the rules. It should remain the law until Congress has had a chance to fully debate the issue and decide on whether to make major policy changes.

Mr. President, I am pleased the distinguished minority leader, the Senator from Kansas [Mr. DOLE]—this is an amendment he sent to the desk, also. So we find many on both sides of the aisle feel the OTS has gone too far. It is time we decide the policy, and have them carry it out.

Mr. President, I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I thank the Senator from Kentucky, and I thank the Senator from Utah for letting me proceed for just a moment.

I am delighted the distinguished Senator from Kentucky has offered this amendment which is the same legislation I introduced earlier this month called the Savings Association Interstate Branching Limitation Act of 1992. I know my good friend and colleague from Utah, the ranking Republican on the committee, does not agree with this amendment. But I would say it is an effort, through a 15-month moratorium, to see whether or not this is the right thing to do, and it is a moratorium on the effectiveness of a regulation of the office of thrift supervision which lifts restrictions on nationwide branching for federally chartered thrifts.

My problem with the OTS regulation, aside from some concerns over the alleged benefits of interstate branching as balanced against possible harms, I think is with the process followed by OTS.

On Monday, December 30, 1991, notice of the proposed rulemaking was published in the Federal Register.

To say the least, it did not take a rocket scientist to have predicted that this proposal would generate a lot of interest and controversy.

It also does not take a rocket scientist to figure out that such a difficult and controversial issue should be fully and carefully considered over a period of time before action is taken. Certainly, in my legislative experience, that's the best way to put countervailing arguments to rest and to lend integrity and credibility to the process and the resolution of that process.

Instead, what did the OTS do? They issued a proposed rulemaking during the holidays when Congress is adjourned and everyone is out of town.

Furthermore, they limited the comment period to a mere 30 days, 30 days for a regulation that represents a major departure from prior policies, 30 days for a regulation that ignores States rights to determine thrift branching practices within their own borders.

And perhaps most important, 30 days for a regulation that would open the doors to interstate branching for thrifts when Congress just a few weeks before rejected interstate branching for banks.

The purpose of this legislation is to turn back the clock to provide an opportunity for the process to start all over again. The legislation will restore the pre-OTS regulation status quo such that federally chartered thrifts will only be permitted to branch interstate if allowed under the laws of the affected States for State chartered thrifts, subject to certain exceptions involving the acquisition of a failed or failing thrift.

During the 15-month moratorium period, a full and vigorous debate of the OTS proposal can take place before there is a rush to regulate. This way, whatever the final outcome, there will be assurances that all pro's and con's of the regulation are fully and openly considered.

I think this is a middle-ground approach, though I know it is not supported by the administration in this case, or by all members of the Banking Committee.

So I thank, again, the Senator from Kentucky for his leadership. I am happy to join him in the amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator from Utah.

Mr. GARN. Mr. President, I do not have any great illusions about the outcome of this vote, but it is not possible for me to explain to this body how disappointed I am in the behavior of the Congress of the United States concerning the financial institutions of this country.

I want to make certain that my colleagues, particularly Senators FORD, BUMPERS, and DOLE, do not take my remarks personally, or as directed at them. Senator BUMPERS and Senator FORD are classmates of mine from the class of 1974, and they are good friends.

But I have lived with moratoriums my entire career. I came to the U.S. Senate in January 1975. I sat in the Banking Committee and listened to the distinguished Senator McIntyre from New Hampshire propose the Financial Institutions Act, to do something about modernizing the banking system of this country. And I supported Senator McIntyre.

The bill was passed, as I remember, in 1976 in the Senate. It was not approved by the House. Again, in 1978, I believe it was passed, and not approved by the House. There is an 18-year record—my entire career in the U.S. Senate is one of a dramatically changing financial institutions system in this country. We do not do business anymore the way we used to in banks, savings and loans, credit unions, the securities business because, if someone has not noticed, if for no other reason, the computer—technology has changed.

You can now make transfers of money anyplace in the world in a few seconds. Despite all that dramatic change in the way we do business, we have some people who still want to say that interstate banking does not exist. It does exist, and it has existed for a long time. As proof of that, I could take a card and go down by the subway right now and draw money out of my bank in Salt Lake City, UT. And everybody has those privileges. So it does exist.

Beyond the issue of technology, interstate branching and banking has existed because of mergers of troubled institutions across State lines; because of States in regional compacts allowing interstate banking and branching, including my own. Anybody who wants to come and operate a bank in Utah, be our guest.

So that is the reality. Interstate banking of banks and thrifts does exist, in reality. Congress, after 18 years, has not been willing to address that issue. So we have outmoded laws.

I am not standing up here saying they should be revised in exactly the way the Senator from Utah thinks they should. There is obvious room for disagreement on that. But to continue to make virtually no changes over the last two decades when I can show statements, and I will not, from John Kennedy, as President, from Richard Nixon, from Gerald Ford, from Jimmy Carter, from Ronald Reagan, all of them having various studies done and Congress having studies commissioned over these two decades and longer, really three decades, that we need to modernize over financial institution system, and Congress has not responded. We simply are unwilling. I happen to agree with the Senator from Kentucky that Congress ought to legislate, that these things should not be being done by regulation, but we will not. So I encourage the regulators to adopt regulations. For years I have told the Fed to adopt regulations in hopes that we would get so angry and say we do not want them to do that so we will finally sit down and legislate and come up with a national plan.

I hope my colleagues will recognize that if State laws are being abrogated or overridden, it is not being done by this regulation. This rule removes an Agency limitation on interstate branching. We passed a law, we passed a statute in the Congress allowing interstate branching of thrifts. We overrode State law years and years ago. Interestingly enough, the regulators put limitations on that law. Now they are removing them. So do not let anybody think that this regulation is overriding State law. It is not. We did that. Congress did that, and not the OTS. The Federal Home Loan Bank Board limited, by regulation, the statute which we passed. So at least let us have that correct for the record. We preempted State law a long time ago. The regulators limited that preemption, and now they are opening it up, which essentially conforms with the original statute that we passed to allow that.

But the usual compromise or amendment—again no criticism of the Senator from Kentucky—is a moratorium. Boy, during my career in the Senate, have I lived with a lot of moratoriums. That is always the thing to do, and I tell the Senator from Kentucky, if I thought the Congress would act in 15 months, that they would actually do something about it, I would not be opposing this amendment. But I have lived through moratorium after moratorium after moratorium, and I know exactly what will happen, as it has happened to me so many times before.

When I was chairman of the Banking Committee, I could recite a whole list of moratoriums. At the end of the moratoriums, "Oh, we have not had time to consider this." We extend the moratorium. Regulation Q on interest rate ceiling was passed, I think, in 1966 was a temporary regulation. It was extended for 16 years. This is our normal mode of operation: Do not confront an issue, do not make a decision, do not legislate; pass a moratorium, delay; we are going to think about it longer. If anybody had told me that I could serve for 18 years in the U.S. Senate and leave with Congress doing so little about this dramatically changed financial marketplace, I could not have believed that Congress could be that irresponsible.

I do not doubt the intentions of the Senator from Kentucky and the Senator from Kansas. They are sincere about what they are trying to do. But I promise them—I will not be here 15 months from now—but I will guarantee them that the motion will be out here to extend the moratorium because we have not yet had time to decided. Is not 30 years long enough? 20 years? 10 years? 5 years? Again, if I thought another 15 months would make a difference, boy, I would say let us just accept the amendment. But why should I believe that Congress will change? Why should I believe that? I have been as much as advocate of States' rights around this body as anybody else, but not nearly as much as I used to be because, if the Federal law had applied to the States' savings and loan institutions in this country, there would not be a thrift crisis, the taxpayers of this country would not be bailing out $150 billion of taxpayers' money, because most peopled do not understand that three-fourths of that entire loss occurred in State-chartered institutions, and three-fourths of that problem of the three-fourths occurred in two States, in Texas and California.

I am not going to sit here and defend the right of California and Texas to rip off the American people for $100 billion, but that is what they have done. That is what has happened. I can hear all about deregulation and how it caused this problem. It certainly did, but not at the Federal level. If the various laws, including Garn-St Germain, had preempted State law, that could not have happened in Texas and California.

Just one example. One of the major problems in this huge loss was direct investments where thrifts could take money and not make loans with collateral, but invest in their own behalf. We all know about the insider deals and the direct investments. It is interesting. Do you know what Federal law allowed a Federal thrift? They could invest 3 percent of their total assets in direct investments. That is all, just 3 percent. But the Texas Legislature, in their wisdom, said, oh, a Texas thrift can invest 40 percent in direct investments, and in California, 100 percent. They did not even have to make a loan, just take depositors' money, insured by the FSLIC, and say, "I think I will build a shopping center. If it goes well, we make the money. It is not coming from a loan."

I suggest there are times when we say to hell with States. I wish we had. I wish we had said to them that this applies to State-chartered institutions and then we could stand up proudly and say the taxpayers are not paying a $150 billion bill. The very least we should have said, which former Chairman Proxmire and I tried several times, is, "OK, we are not going to preempt you, we are not going to apply Federal law to State-chartered institutions, but we are going to tell you, if you do not comply with Federal law, you cannot have Federal insurance." That would not have averted the crisis, but it would not have been a Federal crisis. The States would have had to stand up for their own action.

So as a small city mayor and defender of States rights, I suggest that we cannot blindly always say that the States are right. Some of the State legislatures of this country caused the thrift crisis, but does the American public know that? Oh, no, they think it was Congress. It was not. It simply was not. Federal law would not have allowed the vast majority of those losses to occur because the Federal institutions could not engage in those businesses.

The issue of interstate banking or branching for thrifts or banks is rather interesting as you look at that and you look at the failure of Continental Illinois, one of the big bank failures in this country. We had such wonderful modern banking laws in Illinois that they could not even branch out of Cook County, let alone across State lines. If you examine that failure, it is primarily because of their inability to have a retail business, to have geographical dispersion of their assets. they could not leave Cook County. We still have States that do not allow branching across county lines. We still have Federal laws that prohibit branching across State lines. But by the end of this year, European banks can branch all over Europe. German banks can go to Spain, Spanish banks can go to France, and we keep our system tied down to these little parochial laws that fractionate a system and we wonder why we have problems.

Try to enact interstate branching. It did not make any difference that all the regulators last year said this was a safety and soundness issue; that if there was one thing that we could pass in a banking bill last year that would be most important to limiting the exposure of the FDIC and the fund for the savings and loan, it would be to allow interstate banking. Because a few Members on the House side did not want to agree with that, it came out again.

We had a study by the Federal Reserve which said that increased ability to branch will increase the safety and

soundness of our banking system. According to this study:

The failure rate of banks with branching networks during the recession was much lower than banks with limited branches. Geographic diversification makes it possible for banks to diversify their loan portfolios to a greater extent. This makes banks less subject to swings in regional economies. Bank failures in the 1980's were concentrated in the States with limited branching rights. GAO found that 90 percent of the banks that failed in 1987 were in States that allowed only unit banks or limited branching.

How much more evidence do we need?

Ninety percent of the banks that failed in 1987 were in States that allowed only unit banks or limited branching. The GAO found that branching restrictions may make a bank more vulnerable to adverse economic conditions. These banks have less opportunity—

I am still quoting the GAO—

have less opportunity to diversify risks and are more vulnerable to economic downturns in particular communities.

The CBO recently released a study that concluded nationwide interstate banking would enable banks to increase their geographic and industry diversification. Such diversification would contribute to reducing the probability of bank failure over the business cycle and thereby lead to a more healthy and stable banking system.

Expert witnesses before the Banking Committee testified in favor of interstate branching. Comptroller Bowsher testified in favor of interstate banking. Former Deputy Secretary of Banking Coswell testified when New York permitted branching upstate by New York City banks, small independent banks in the upstate region continued to thrive and local deposits were not drained out of the community. Instead, through increased competition, more and better services have been available to upstate residents.

Robert Litton of the Brookings Institution testified, "It is no accident that most bank failures were concentrated in States with limited branching rights." He also stated that the Nation would have suffered fewer bank failures in the 1980's had we long ago permitted nationwide branching.

It goes on and on and on. If there is frustration in my voice, it should not be a surprise to anybody—18 years, a career in the Senate trying to convince Congress that we need to modernize our banking laws, and we have not. And then I am faced with another moratorium; let us think about it a little longer.

I am almost willing to bet that I could come back 18 years from now and the same debates will be occurring. Some Senator will be offering a moratorium. It will not matter what has happened to the banking system. It will not matter how the foreign banks have taken over, because we are not able to compete. Twenty years ago, 7 out of the 10 largest banks in the world were in the United States. Today 10 out of the 10 largest banks are Japanese. I think our biggest one is 23d or 24th.

They laugh at us. They have modernized their banking laws. They are competitive. We talk about the automobile industry and the difficulties we have there. Well, we, Government, are holding down our financial community in this country, and we are the best; we are the innovator of most of the financial instruments. they copy us. The Japanese used to send a couple hundred people over, and I was flattered when they would say, "Would you come to speak to them." It took me a while to find out what they were doing. They were learning about our financial system. And one of the things they learned is do not have all these restrictions. That is why 10 out of the 10 largest banks in the world are Japanese and control so much money and why they buy so much property in our country.

I did not intend to talk this long, but it goes far beyond just the issue of this amendment, to when are we going to listen. Forget the regulators and their testimony. How about some of these independent witnesses? How about the testimony that we would have had fewer bank failures had Congress been willing to allow modernization of our system?

It is overwhelming and it is clear, and I know of no dissenters that can refute the evidence of the 1980's. It is not a matter of opinion. It is a matter of fact. It is hindsight. It is hindsight that had we enacted some of these provisions 15 or 20 years ago, the size of the banking and S&L problem would have been much less. Had we preempted State law, there virtually would have been no S&L crisis. Or had we at least said fine, you can do anything you want, we are not going to preempt you; we value the dual banking system and we will not—you can do any damned fool thing you want in your State legislature but not with Federal insurance. Be on your own.

The interesting thing of it is, when they get in trouble, some of the State banking institutions, when their own funds go bankrupt, then what do they do? They run to the Senate and House Banking Committee and say, "Bail us out."

I do not know why the Congress of the United States should be responsible for what State legislatures do. I do not understand that concept, that a Texas legislature can allow 40 percent direct investments and California allow 100 percent and Federal law says only 3 percent, and then we pick up the bill for them.

Why? Why do we do that? I just do not understand. It is their bill. It is not ours. Yet every Member of Congress is blamed for the S&L crisis.

They ought to start looking at their State legislatures, particularly in California and Texas, start looking at them and place the blame where it belongs.

So, yes, I am opposed to this amendment. I am opposed to it for one very solid reason. Congress will not act in the next 15 months. If there was some way the Senator from Kentucky could tell me that we would, with all this history I have recounted, that Congress would suddenly decide this is an important policy decision and make a determination on what our financial system ought to look like for the 1990's, not the 1930's, then I would say to the chairman, let us just accept his amendment. Boy, I would be tickled to death if we would resolve this problem in the next 15 months. But a moratorium is not the answer.

I would suggest that not having a moratorium for people who do not want this to be done by a regulator would be more of an incentive to act in the next 15 months. Say we do not like what you are doing, we do not think you should do it. And I agree with that in concept.

We should act. It is our responsibility. We have abrogated our responsibility for two or three decades. It is time we made some policy decisions, whatever they are, even if it is a determination that no, we are not going to allow interstate branching. That is at least a determination. It is not hiding from the issue. It is not dodging the issue.

I suggest that is why the American people are more upset with Congress than any other reason, not what time we close the Senate dining room or what kind of gifts we have or even the House bank scandal. It is that we will not do anything. We will not take action. We will not make decisions. We will not set policy for this country.

So I just do not expect anything to happen with a moratorium. I have been through too many moratoriums and I have been consistent in opposing them because of that knowledge.

So again my remarks are certainly not intended at my good friend from Kentucky, but they are intended to be directed at a Congress that has been unwilling to act and the consequences are there for everybody to see. The evidence is there that interstate branching of banks and S&L's would increase safety and soundness, a geographical dispersion. That is not an opinion. The statistics from the eighties indicate very clearly that what I am saying has taken place.

I will close with that one statistic—in 1987, 90 percent of the bank failures occurred in States with unit banking systems or limited branching. And in the States where they have the ability to diversify and move across geographic lines, the failure rate has been less.

How much more evidence do we need? As I said, hindsight ought to be pretty conclusive. I have not said it specifically, but I would think that everyone understands my position, that I oppose the amendment of the Senator from Kentucky, and I yield the floor.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, many of the things the Senator from Utah has

said I would find myself in agreement with, but on this particular issue I am bound by the same understanding on the managers' amendment by which I was bound on the previous amendment by the Senator from Connecticut. Obviously, the Senate will have to work its will on this issue.

So, bound as I am on the managers' amendment, I cannot, regardless of my feelings on a particular proposition, agree, at least so far as my vote is concerned, to put it in the managers' amendment.

But again, on the merits of the issue. I think the weight of the merits is on the side of the Senator from Kentucky in the sense that I think it is important on this issue, as we have attempted to do on the interstate branching of commercial banks, that the Congress be involved.

I think we have an obligation to be involved. I think it is some of the most important decisionmaking that we have to do. The Senator from Utah and I worked diligently to craft a comprehensive banking reform bill that dealt with that issue of interstate branching by commercial banks. We brought it here to the Senate. There was a fight on the floor at that time—the Senator from Kentucky, and the Senator from Arkansas were involved, and there were some differences of opinion. We eventually resolved that.

We reported a bill out of the Senate that had an interstate banking provision in it that I think was sensible, balanced, and fair. We took that into conference, and unfortunately because of objections on the House side we were not able to move to incorporate that in the final version of the bill. I regret that fact. I think that we in fact do need to revisit that issue at a time when it can be done.

The Senator from Utah has said that he does not foresee that happening now, or perhaps even within the 15 month period of the proposed moratorium. I think it needs to be done. I expect it will be done.

It will depend in part on whether we get a new administration or not. Even if we get the same administration, the Bush administration again, they may wish to come back with this issue of changes in the banking system. They certainly said it was a priority before but they have obviously taken it off the priority list at the present time.

But I am convinced that, if we were to get a Clinton administration or a Perot administration, which I think is equally likely if not more likely, then I think these issues will be revisited. They would be revisited in a new context, with a new Treasury Secretary and new proposals on the table. I think we would be able to move through and address the issues of interstate branching, not only by commercial banks but also by the savings and loans.

I must say one experience that I come away with looking back over the last decade is that regulatory discretion and regulatory assertions of authority can really blow up on us. They can be like an exploding cigar, because of the quality of regulators at any given time and the change in market conditions, and changes in State powers. As the Senator from Utah has pointed out, regulators come and go. You get good ones; you get poor ones. You are never certain whether the apparatus is in place, and whether the philosophy that is being followed, or the practices that are being carried out, are adequate to the problems that are out there in that particular regulated area.

Oftentimes the sheer scope and scale of the complexity of these industries as they are operating across 50 States make it very difficult for even a diligent regulatory force to know precisely what it is that is going on.

I assert that was so even in the case of the commercial banking failures, where the deposit insurance system at the end of last year was about $6 or $7 billion under water, and we had to make a $70 billion taxpayer loan to refinance the bank insurance fund. We previously saw the bust in the savings and loan insurance fund—in that instance I do not think at the time even the practitioners in the industry understood the devastating consequences of the buildup of the problems that were going on.

I have yet—I say to my colleague from Utah, and he may have a different experience—to have anybody out of the commercial banking system, a commercial banker, whether one from my State, one from across the country, or anybody representing any of the bank associations or groups of bankers, come to my office ahead of time, anytime, and say: "By the way, we are very concerned that the bank insurance fund is going broke. And we have a most difficult problem with overinvestment in commercial real estate, and prior to that a massive overinvestment in Third World loans; also a big problem in bridge loan financing for leverage buyouts. And we think something ought to be done to correct those problems before they grow to such a size that they impair the entire industry."

I never had a single banker or banker group come in and say that to me, even though they stood to be severely damaged by conditions building up in their own industry.

I only cite that as an aside, because you might figure that if there was a huge systemic problem building up out there, you might get it from the regulators. If the regulators do not come and throw the switch, you might expect that the industry leaders themselves, particularly because they are cross-affiliated in a common insurance fund, would be coming in and blowing the whistle on the excesses in the industry early in time so that the good institutions would not be damaged by the bad ones. But that did not happen.

I must say that I am left with that experience saying that it is very different for me to stand here today and count on the industry itself to come in and be the early tripwire on accumulating problems that are out there, because they have not done it before even though catastrophic problems were looming and building up, nor have I seen the regulators do it sufficiently.

So I am not prepared to propose these decisions on a scale this large in a system that I have seen in recent years has not by itself been able to work properly. So I think on so fundamental a question as interstate branching—whether by commercial banks or thrifts—to address it in law and not by administrative regulation. I think we need to understand the dimensions of it—who qualifies, what the standards are, what is going to be in place with community lending requirements, and things of that kind. That is what we did in the context of the debate on interstate branching by commercial banks.

I might say with the Senator from Utah and myself in the lead, we worked that issue through. We worked it through in the Banking Committee. We worked it through here on the floor with the help of the Senator from Kentucky and others to try to resolve the issue in as fair a way as we could because there are conflicting interests. But on something of this magnitude, I think you need that level of focus and that level of involvement in how the practice is to be established and how the rules of the game are to be laid down, and if they are to be changed how they are to be changed.

I think that kind of debate that occurs here will yield in the end a better answer, and a clearer answer, and a much more clearly articulated national policy in the evolution of financial system policy than if we simply allow a given regulator and a given agency on a given day to lay down a new policy directive and march the system off in that direction without direct participation by Members of the Congress in how the actual law is written.

I think it further needs to be said that the interstate branching issues in the commercial banking system have an important and tandem relationship with how the same issues are to be dealt with in the savings and loan industry. These two industries are different in certain respects. They are not precisely the same, as is well-known by people who would understand this issue. But the treatment of how we undertake to do interstate branching is a live issue with respect to the commercial banking system, and it does have a cross-relationship with what is going to be done with respect to the savings and loan system.

So, while they are separate, they are nevertheless tied together. So there ought to be an effort made to try to understand and cross-relate the policy in these two areas. I think that is a requirement that comes back to us, and that we must undertake to address.

I will say again for the third or the fourth time, we have attempted to do that. The Senator from Utah has been in the lead in that area, and I certainly have. We have drafted provisions as they would relate to the commercial banking system. We brought them through the Banking Committee. We brought them here to the floor. They were debated here. They were settled here; passed by the Senate. We took them to conference with the House. The House was unwilling to take them up.

So we have attempted to discharge that responsibility, and we must continue to do so. But that is different, I say, from taking that responsibility, where I think we properly need to be engaged, over into an administrative agency and dropping it on an administrator, whether it is the head of OTS or whoever, and saying, look, we could not get it sorted out. You do it the way you think is best. On a matter of this size, I come out on the side of saying, no, I am not prepared to do that.

So I am with the Senator from Kentucky on the substance of this issue. But now I want to come back and finish by saying I do not think this ought to go in the managers' amendment. He will understand my thinking on that. He is chairman of the Rules Committee, and when they put a package together within the jurisdiction of that committee, and it is agreed to by the minority and majority members, and they come out and offer it as a managers' amendment—at least, if their practice is similar to ours in the Banking Committee—that creates an understanding that we will support together the managers' amendment. Unless we can agree on adding something or agree on deleting something, we will otherwise stand together against any changes to add or subtract.

We did that before on the Dodd amendment, despite my underlying support for the Dodd amendment. I must do so here. So I will have to be voting to table the amendment of the Senator from Kentucky. But on the substance, I think the amendment is correct. If I were not bound by the managers' amendment, I would vote for it.

Mr. GARN. Mr. President, I would like to respond briefly. The Senator from Michigan referred to me on two or three occasions.

First of all, I say that I, over the years, have heard from a lot of bankers who criticize the Third World loans of the very large banks in this country, and so on; and over and over again, I have heard from bankers who did not like the way things were going. So I am a little surprised if the Senator has not. I speak of the small- and medium-size banks in this country.

I suggest that people realize that the vast majority, 80 to 85 percent, of the banks in this country are well run, well managed, conservatively run, well capitalized, and are in no danger, and have not participated in some of the exotic types of things that the Senator from Michigan was talking about.

Mr. RIEGLE. If the Senator will yield, because I appreciate his point, and I want to clarify the meaning of what I was saying.

I heard individual bankers come in and gripe about the practice of other bankers, whether it was Third World loans, or what have you. I have not had any bankers, or even more important, any banker groups—and there are lots of them—come in and say, "Look, we think there is a looming disaster where the Bank Insurance Fund is going to go broke, because you have these practices out in the industry being carried out by some banks or some bankers that are going to such excess and such extreme that we think they may sink the whole system."

And I simply make the point, because one would assume that people in banking, whose fate was tied to that type of situation, who might see it coming, would be the first ones in to say we think the Bank Insurance Fund is going to go broke unless we get the industry on a different track. Unfortunately, I have had no bankers come in or any banker association groups come in ahead of time and say that they felt there was imminent danger, and the system was going to go broke.

Mr. GARN. I say to the Senator from Michigan that I have, particularly one from Utah, who started contacting me about 14 years ago. So I have had a different experience in that area.

The other thing—and I say it briefly, because I do not see anything Republican or Democratic about this debate, or the problems of the S&L's, and I never have—but to indicate that the administration has lost interest in this, I do not think is accurate. They sent up a bill last year. The Senator and I tried very hard to do something about it. Primarily because of the House of Representatives' unwillingness to go ahead, we did not get the comprehensive banking bill that both of us desired to.

The administration sent it up again this year, and they talked to me many times, and the counsel from Congress has been do not bother to push it because, in an election year, it is not going to happen.

Only one thing might have a small chance of happening—interestate branching. A bipartisan press conference was held by myself, Senator DODD, Nick Brady, the Secretary of the Treasury, and both Republicans and Democrats on the House side, to introduce a bill at the administration's request to do interstate branching.

So I suggest that is fair to say that there undoubtedly will not be any comprehensive action this year. But I certainly do not think it is fair to indicate that it is lack of interest on the part of the administration. We sent up world, including this Senator and everybody else, that it is not going to happen, so do not waste your time, or to indicate, unless there is clairvoyance on the part of my good friend, that Perot and Clinton would have more interest in this than the current President, George Bush, I do not know that, because I have not heard either Clinton or Perot say anything about this issue to indicate their feelings in any way. I have not heard Perot, as a matter of fact, say anything definitive on anything yet. I am anxious to see if the man has any thoughts on a particular subject, other than his populist BS he continues to push.

Mr. SIMON. Mr. President, I rise in support of the amendment. The chairman of the Banking Committee, I think, made an eloquent speech for the amendment. I agree with 95 percent of what he had to say. The last 5 percent, I differ with.

It was not too many months ago we were on this floor debating this very issue, and Congress decided we would leave the question of interstate branching to the States. This is a subject that is serious enough that we should not have an agency just issuing a regulation saying, we are going to have 30 days' comment, and if nothing happens untoward, we are going to go ahead with interstate branching. This is a major decision for the financial institutions of this country. So I object to it on procedural grounds.

Second, Mr. President, my friend from Utah is partially correct when he says State legislators and States did not do their job, and that is the reason for the kind of mess that we have had. There is a little bit of truth to that, but not much.

Basically, deregulation came from the Federal Government, where we permitted savings and loans to go out and loan not just on residential property, but anything they wanted. And then we permitted them to do it not on resale prices but appraised prices. I am pleased to say that when I was in the House of Representatives, I was 1 of 13 to vote against that deregulation.

Third, regarding the deficit that the Presiding Officer, the distinguished Senator from Florida, has been working on, there is no question that the deficit has aggravated the whole situation that we are in. It has caused uncertainty in financial markets.

In the 1960's, the deficit represented 2 percent of net savings in our country. Now we are at the point where it represents about 70 percent of that savings in this country.

And then, finally, the 1986 tax bill, no question about it, added tens of millions of dollars to the savings and loan costs. That was not State legislators that did that. That was not State governments who passed that 1986 tax bill.

Before we move more and more in the direction of bigger and bigger banks, and move away from small thrift institutions, I hope we will take a good, hard look. The reality is, as we move toward a greater and greater concentration, we are going to have a greater and greater concentration not just in thrift institutions, but in the institutions that they make loans to.

Let us just say that Senator GRAHAM is the president of a big bank—and I have good friends in these major banks—but he has a choice of making one loan of $1 million to a major corporation that is in great shape. Let us just say it is General Motors. Or you have the choice of making a hundred loans of $10,000 to small businesses. It clearly saves you a lot of paperwork to make that one big loan, and yet those small businesses are producing 70 percent of the new businesses in the country.

It seems to me the amendment is a sound amendment. I hope it will pass. I hope we will have a moratorium so that we can look at this thing more carefully and not permit a regulatory agency to suddenly make a major decision for the economy of this country.

The PRESIDING OFFICER (Mr. KERREY). The Senator from Arkansas.

Mr. BUMPERS. Mr. President, at the risk of repeating what was said before I came to the floor, I think it would be instructive to talk about the history of this rule. Just before Congress adjourned last year for the Christmas holidays, we passed a comprehensive banking bill that did not permit interstate branching by banks unless the State in which they chose to branch permitted it. There is a certain States rights issue at stake and there was a great deal of discussion about the role of States in interstate branching. The conference report on the banking bill did not change the law on branching.

We went home for the Christmas holidays, staffers who stay right on top of these things were also out of town, and on December 30, the day before New Year's eve, Timothy Ryan and the Office of Thrift Supervision published notice of a proposed new interstate branching rule for S&L's, and the comment period was only 30 days. Senator FORD, who has been my colleague in this whole thing from the very beginning, and I wrote a letter and 25 Senators signed it. The letter said "As you probably remember, we prohibited banks from doing exactly what you have now decided S&L's ought to have the right to do."

Talk about a midnight pay raise. Here was a midnight rule with only 30 days to comment and the Congress was hardly going to be in session before the 30-day period was over. Mr. Ryan wrote back:

> In developing the proposed amendment, the Office of Thrift Supervision believed that the proposed change would facilitate consolidation and geographical diversification among Federal savings associations, reduce operating cost, increase healthy competition among depository institutions, and improve the quality of services furnished to customers.

He may believe that, but every study of the issue shows the contrary.

The Harvard Business School did a study and they said the study concludes that banks that merge newly acquired institutions have difficulty improving profitability. The banks cut expenses, but those cuts are offset by a loss of business and revenue to competitors.

So here you have the Harvard Business School study saying, "Mr. Ryan, you could not be more wrong."

And who else? Here is a study by the Federal Reserve Bank of Atlanta and what do they say? They conclude that their analysis cannot support the hypothesis that larger bank mergers on average produce significant cost savings.

Mr. Ryan also said in his letter to Members of the Senate: "Fostering greater financial stability for the thrift industry, in turn will decrease risks to the SAIF." That may be true, but what he doesn't explain is how branching will foster greater financial stability. The risk is greater. He also says in this letter that one of the big advantages is an S&L that gets in trouble because of a local downturn in the economy will have the right to branch out in another State where the economy is not down. Mr. President, I say to my colleagues that is the same kind of logic that has cost the American people $150 billion so far in the S&L cleanup. The truth of the matter is if you have a downturn in the local economy and the only way the S&L's can deal with that is to start branching into other States, the worse the economy gets, the riskier their investments get. It is almost on all fours with what we came to know as hot money.

Mr. President, do you remember when the S&L's began to get in trouble that they got in trouble because they were loaning long and borrowing short? They loaned DALE BUMPERS money to buy a home for 5½ percent for 30 years, and then 15 years later suddenly found that the interest rate they were paying their depositors was up to 15 percent. It is hard to make money when you pay 15 percent on deposits and only get 5½ percent on loans.

So what did they do? They started advertising through brokerage firms, "Send us your depositors' money and we will pay you 15 percent or 14 percent, or whatever, on a 30-day certificate of deposit."

What they wanted to do was to be able to turn around and loan that hot money. They hoped that if they got enough deposits a one point spread would be profitable enough to save them from the gigantic spread between their old 5½ percent loans and what they were having to pay for money.

Mr. President, you know what hot money is. That means you have it today and tomorrow you do not. And that just exacerbated the problem.

So here we have the Office of Thrift Supervision in the persona of Timothy Ryan saying, "Let us try it again. We believe we can get it right this time."

Mr. Ryan's February letter to me bordered on being insulting, frankly. We were saying we just passed a bill that did not allow banks to interstate branch and the minute we left town the proposed administrative rule was published.

Mr. President, I sincerely hope that the people in this body are not going to permit this rule to stay in effect. Senator FORD and I introduced a bill to prohibit interstate thrift branching. Senator DOLE shortly thereafter introduced a similar bill, but Senator DOLE did not prohibit branching it; he just put a 15-month moratorium on it.

And so Senator FORD and I are offering an amendment that is almost identical to the Dole proposal for a 15-month moratorium. What is wrong with that. Why should not the Banking Committee of both Houses consider this rule and not allow somebody like the head of OTS, to arbitrarily make a gigantic decision on his own with virtually no input from Congress; why does not the Banking Committee bring him up here so he can tell us all about this rule and how it is going to work?

Mr. President, there are some pretty important organizations in this country that favor the Bumpers-Ford amendment. For example, the National Conference of State Legislatures. That is every State legislature in the country, saying: We favor the Bumpers-Ford amendment.

The Consumer Federation of America: "Vote yes on Senator FORD'S amendment to eliminate OTS interstate branching."

The Conference of State Bank Supervisors. That is every State banking supervisor in America. "Dear Senator BUMPERS: The Conference of State Bank Supervisors strongly supports yours and Senator FORD's efforts."

And then there is a letter here from a fairly broadly respected organization, the Independent Bankers Association of America, which is what most of the banks in my State are. "Dear Senator BUMPERS: On behalf of the 6,000 members of the IBAA, I am writing to urge you to support passage of the Bumpers-Ford amendment."

Now, Mr. President, those people are fairly important. They know what branching amounts to. So what I am saying here, Mr. President, is we ought to think very carefully about this. I

hope the Senate will support this amendment. All you are doing is saying we are going to postpone this for 15 months, let the Banking Committee hold hearings, and bring Mr. Ryan to testify about this. Let him tell us why he knows so much more than the Harvard Business School knows, and why he knows so much more than the Federal Reserve Bank of Atlanta.

If I were going to run a popcorn stand, I would try to find somebody who is successful in the popcorn business to tell me what to do. If I were Mr. Ryan, I would be talking to people who know something about how the whole S&L bailout crisis came about in the first place. Because it looks to me as if we may very well be starting down the same road.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I am a cosponsor of this legislation. I do not know whether I am a cosponsor of the amendment, but I would like to be if I am not, because I do favor the bill.

Mr. FORD. Will the Senator yield?

Mr. GRASSLEY. Yes.

Mr. FORD. Mr. President, I ask unanimous consent that Senator GRASSLEY be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. I thank the Senator.

Mr. GRASSLEY. Mr. President, there is nobody in this body that can make the case any better than the Senator from Arkansas just did. I do not pretend to do that or maybe even make any new arguments. But for sure, I do want my colleagues to know that I feel strongly, as the Senator from Arkansas does, about this issue.

But more importantly, as the Senator from Arkansas expressed dismay about how some lowly bureaucrat can frustrate the will of Congress, as is being done through this regulation, it should not surprise him or any other Member of this body that there are bureaucrats downtown that make a career, lifetime career, of Government service, of trying to frustrate the will of the people as expressed through this body by undercutting or stretching to the zenith any sort of discretion that the bureaucracy has in existing law. And this is a perfect example of how this is being done.

So I hope the Senator from Arkansas is not surprised, because this happens all the time. I am only sorry it has happened on this, and so close in time, just 6 months since Congress last expressed its will on this subject. And this will was expressed when the interstate branching was not a part of the banking bill that passed this body last year.

Last fall, Congress made very clear that interstate branching would not be a part of that banking bill. But now we have the Office of Thrift Supervision circumventing that decision.

Without a doubt, they are snubbing, as far as I am concerned, congressional intent. And they did that on December 30, 1991, when OTS introduced such a regulation that would allow interstate branching for savings and loans. They limited the comment period to only 30 days, and during that 30-day period of time, they even ignored a letter of opposition signed by 25 Senators.

I think, Mr. President, that that is outrageous that they would take such action this way, to be completely contrary to what Congress did last year. Of course, that is why I am joining Senator FORD and Senator BUMPERS in cosponsorship of their legislation, and now in this amendment, to place a moratorium on the OTS regulation for these 15 months. The amendment grants more time for us to evaluate this decision, and to give Congress, as well as our States, more time to act.

You see, if the Federal Government permits interstate branching, small banks in our local communities across rural America will suffer, and suffer tremendously. Local citizens' money will be funneled from the branch in the community to the home offices, most often located in some big city far away, unconcerned about the local economy.

As a result, smaller banks that serve as a critical part of the backbone of local communities would be at the mercy of the bigger players, who, by law, could take the money and invest it out of State.

Under the law, before this regulation was forced on the States, the decision of whether to allow interstate branching was left to the sovereignty of each State.

This law permitted branching by federally chartered thrifts only if allowed under the laws of affected States for State-chartered thrifts. Currently, 13 States allow interstate branching under their laws.

So it cannot be said that States might not want to do this. And maybe I might disagree with some of those States doing it, but at least I believe that those States have a better handle, under the laws of those States, on whether or not it has a detrimental impact upon the economy of those States.

Now, the Bush administration argues—and let me say that Senator DOLE, here in this body, takes a different point of view, because he put in one of the first pieces of legislation in this area. And contrary to Senator DOLE's wisdom on this, the Bush administration argues that interstate banking and branching are critical to today's economy.

The administration says that there are too many small banks in the United States, and that a consolidation of services allows for economy of scale. It also argues that consolidation would result in greater efficiency and a lower rate of bank failures.

But I think the evidence speaks to the contrary, because the evidence against interstate branching and banking is very clear. I want to refer to a study—maybe it has already been quoted here. I have not heard all the debate because I have been over there hearing testimony before the POW/MIA Select Committee that I am a member of.

But according to a 1991 study by the Federal Reserve Bank of Minneapolis, very large banks are less profitable than middle-sized ones, and are not necessarily less likely to impose costs on the FDIC.

Moreover, the study challenges the popular belief that the goal of economies of scale is behind the banking industry's consolidation.

In addition, after the Treasury Department issued recommendations in 1991 for interstate branching by banks, a Harvard Business School study found that merging banks did not achieve significant improvements in operating profits relative to other banks during the first 2 years after a merger.

The OTS has proceeded with its proposal, but this body has the power to be the final arbiter, and I believe we should exercise that power. Maybe we are not even exercising that power boldly enough by going along just with a 15-month moratorium here. But, obviously, that moratorium is better than if we do nothing.

So I join many of my colleagues who support legislation to codify the law before this regulatory preemption of State power. Without congressional action, the OTS proposal will critically injure the financial health of many States and lead our national banking system in a dangerous and unhealthy direction.

I urge my colleagues to support the Ford-Bumpers amendment.

I yield the floor.

Mr. FORD. Let me thank my friend from Iowa for his strong support for the position Senators BUMPERS, DOLE, and I have taken.

I want to take just a minute, if I may. I grew up in a family that taught us that our word was our bond. That meant whenever you made a statement you lived up to it. I do not fault my good friend from Michigan, the chairman of the Banking Committee, for keeping his word, saying no amendments on this.

I thank him for saying the weight of the argument under this amendment he would favor. So I would like to have his support. But I want him to know, publicly, I do not fault him for keeping his word. I would fault him if he did not. So I compliment him for that.

The Senator from Utah [Mr. GARN] made an eloquent speech about all the problems and preempting the States and we ought to go tell the States how to run their business and we should have done it a long time ago. Yet he at-

tests to the fact that he is probably one of the strongest States righters on the Senate floor. Those two statements do not jibe, as far as I am concerned.

Let us just look at this managers' amendment that they say they do not want any amendments on. This managers' amendment has become a banking bill. Basically that is what it is. It has provisions on the savings and loan transition rule; on separate capitalization—that has something to do with the stability and financial strength of a savings and loan; insider lending—that is one of the items in this managers' amendment. Executive compensation is in this amendment. Appraisal standards are in this amendment. Truth in savings is in this amendment, as I read it. Lender liability is here.

When we begin to add it all up, money laundering and more, we find that this amendment, I think, is germane to the committee amendment. It is something that fits appropriately. The fact is this managers' amendment has already been amended. It is not going to be a new thing. So this amendment is not out of place, in my opinion, in the managers' amendment. This is a minor moratorium amendment and it is not unreasonable in light of the provisions of the managers' bill.

We have heard here, and I want to reiterate a little bit, that on December 30—you can almost say in darkness—Mr. Ryan put out this regulation, and in 30 day from December 30—Congress was not in session. As Senator BUMPERS said, Senators were not here. Staff members were back home with their families, or here at home with their families for Christmas and the holidays. So this unusual effort to pass this regulation, I think, has to be seen in the light rather than in the darkness.

Twenty-five Senators from both parties sent a letter to Mr. Ryan and asked for an extension of the comment period—that is all—and we were turned down. Then the rule was put out after we had voted on the RTC funding. Not a "i" was changed or "t" was changed, as I read it, from the original rule. After all the comments, nothing was changed. We do not know the input. We do not know who made the decision.

So I think it is important we bring these people to the committee and listen to them tell us why. Maybe we will agree. But one thing is still clear, if the moratorium is agreed to, then the law stays as it is. Those 13 States that allow branching can continue to do that because the States have agreed to it. But this regulation preempts State law, period.

OTS knows very well they could not have obtained this major policy change through specific legislation, even if they only wanted to clarify the 1982 law. Think about it a minute. OTS intentionally—and I underscore intentionally—waited until after Congress had adjourned last year to issue this rule. If Congress knew OTS wanted to go this far, I do not believe it would have approved this new policy during last year's debate.

We have been relying upon OTS' previous interpretation of the 1982 law which respected States rights. That was a pattern. They have respected States rights. Now they are looking at it with disrespect. Somehow or another we have to say that this is not the right way to do it. They have gone around Congress. They have usurped our right to make the policy, to be carried out by the executive, which is the Constitution. So they found a way to do it.

This amendment is not about whether you are for or against interstate branching. In my opinion, it has to be a little bit of States rights. I believe the evidence is mixed on whether interstate branching is all positive or all negative. My colleagues should support this amendment unless they are 100 percent sure that unrestricted interstate branching is a good thing; 100 percent sure that unrestricted interstate branching is a good thing. The OTS based its rule entirely on assumptions and on theory rather than reality.

I believe we should have a little more hard evidence before we exercise this tremendous change as it relates to the rules.

Why does OTS want to take this change after what we have seen in the S&L industry in recent years? Why do they want to move in this direction with a cloud over the situation? It is beyond me to be able to believe that this is done without consideration of major institutions wanting to cross State lines to sap up small savings and loans. And what do they do then? They will transfer that capital out of your State to their home office and the ability of having the local friendly savings and loan people that you have known and dealt with all your life, now to say I have to dial an 800 number to find out if I can make a loan to you. Think about it just a little under those circumstances.

States rights should continue to be respected in this area where we have seen shared State and Federal responsibility for decades. Under the old rules, a Federal thrift could branch interstate if State laws would allow a State-chartered thrift to do so, and this moratorium does not change it. So I believe this is a proper approach.

Mr. President, my friend and colleague from Arkansas, Senator BUMPERS, referred to letters of support of our position: A letter from the Conference of State Bank Supervisors, the National Conference of State Legislatures, the Independent Bankers Association of America, and the Consumer Federation of America. I ask unanimous consent that these four letters of support be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CONSUMER FEDERATION OF AMERICA,
Washington, DC, June 23, 1992.

GSE BILL—VOTE YES ON SENATOR FORD'S AMENDMENT TO ELIMINATE OTS INTERSTATE BRANCHING

DEAR SENATOR: Today Senator Ford will offer an amendment to end the entry of OTS (Office of Thrift Supervision) into nationwide branch banking. We strongly urge your support.

Director Tim Ryan has written a letter in support of the current OTS bank branching rule claiming it is pro-consumer. When Mr. Ryan testified before the House Banking Committee on this rule, the only consumers he could think of who might be helped are those in rural areas who currently do not have a bank near them at all.

Well, for the other 219 million consumers in this country who do have a bank near them, the OTS bank branching rule is very anticonsumer. It will encourage thrift concentration, elimination of credit to small businesses and consolidation of profits and policy control in the hands of far fewer shareholders. This could result in a very unstable, unsafe thrift system.

Branch banking tends to reduce the availability of consumer services as a result of management operation rather than owner operation.

Support the Ford amendment.

Sincerely,

PEGGY MILLER,
Banking Director.

INDEPENDENT BANKERS ASSOCIATION OF AMERICA,
Washington, DC, June 9, 1992.

Hon. WENDELL H. FORD,
Russell Senate Office Building, Washington, DC.

Hon. DALE BUMPERS,
Dirksen Senate Office Building, Washington, DC.

DEAR SENATORS FORD AND BUMPERS: On behalf of the 6,000 members of the Independent Bankers Association of America (IBAA), I am writing in strong support of your efforts to prevent the Office of Thrift Supervision (OTS) from using its regulatory authority to allow unrestricted nationwide branching for thrifts.

This regulatory end-around not only thumbs its nose at Congress, which only months ago chose not to allow interstate branching for commercial banks, but it also preempts state law, denying the states the opportunity to help shape the financial structure within their borders. Furthermore, it ignores several recent studies which cast considerable doubt on the alleged benefits of interstate branching and conclude that in some cases it could actually be harmful.

Finally, any move to provide thrifts with branching authority at this time will create an unlevel playing field with commercial banks. Parity between banks and thrifts is essential to the future stability of the banking industry.

We strongly urge you to aggressively pursue this issue.

Sincerely,

GARY J. KOHN,
Legislative Counsel.

NATIONAL CONFERENCE OF STATE LEGISLATURES,
Washington, DC, June 4, 1992.

Hon. WENDELL H. FORD,
U.S. Senate, Washington, DC.

DEAR SENATOR FORD: The National Conference of State Legislatures (NCSL) strongly supports S. 2355, the bill you have sponsored in response to the regulation issued by the Office of Thrift Supervision allowing interstate branching by thrifts. NCSL supports any effort to expedite action on the thrift branching issue by including language similar to the provisions in S. 2355 in any relevant legislation pending on the Senate floor. Congressional action, NCSL believes, is immediately required to roll back the OTS regulation and to reiterate that a savings association may branch interstate only pursuant to the express authorization of state law.

The OTS rule disregards sound principles of bank regulation and congressional policy with respect to interstate branching by financial institutions. It also creates serious problems of state-federal relations. The regulation permits nationwide branching by federal savings associations without regard to state law.

The rule runs counter to the demonstrated congressional policy in the areas of interstate branching by financial institutions. In its last session, Congress rejected proposals to impose nationwide interstate branching. The Office of Thrift Supervision must not now implement by regulation a policy that was explicitly rejected by Congress. The regulation is not consistent with existing law. Both the Senate and the House by overwhelming majorities rejected unrestricted interstate branching for thrifts during their debate of FDICIA.

The rule in any case is bad banking policy. Currently, interstate branching by thrifts is employed in the resolution of failed thrifts. The regulation allows interstate branching either de novo or by acquisition of a healthy institution. This will increase the cost of resolving failed thrifts by decreasing their franchise value. The result will be to increase the cost to taxpayers of the thrift crisis.

Finally and most important from NCSL's perspective, the regulation violates principles of federalism. It seriously undermines the system of dual chartering and regulation for depository institutions. Opponents of the state role in bank regulation are using this rule to eliminate state control over interstate banking and intrastate branching. This raises serious Tenth Amendment issues. As the Supreme Court made clear in the recent case of *Gregory* v. *Ashcroft*, 11 S. Ct. 2395 (1991), where principles of federalism are so involved, state law should not be preempted absent a clear statement by Congress of its intent to preempt.

The National Conference of State Legislatures strongly urges the passage of S. 2355 or any legislation similarly providing for the roll back of the OTS regulation on interstate branching by thrifts.

Sincerely,

WILLIAM T. POUND,
Executive Director,
National Conference of State Legislatures.

CONFERENCE OF STATE BANK SUPERVISORS,
Washington, DC, June 18, 1992.

Hon. WENDELL H. FORD,
U.S. Senate, Washington, DC.

DEAR SENATOR FORD: The Conference of State Bank Supervisors strongly supports your and Senator Bumper's efforts to amend S.2733, the Government Sponsored Enterprises Act, to restore rationality to savings and loan branching.

On April 8th the Office of Thrift Supervision, in violation of congressional intent and administrative procedure requirements, reversed fifty years of regulatory precedent and completely deregulated geographic expansion by federal savings associations. This new rule included a sweeping preemption of all state laws concerning branching of federal savings and loans.

This new rule flies in the face of recent congressional action regarding interstate branching. At no time during the debate of interstate branching last year did Congress consider any proposal close to the radical deregulation adopted by the OTS. Even the Administration proposal contained numerous restrictions and required a three year phase-in of interstate branching.

In addition, the OTS rule is unsupported by any credible empirical or other evidence that industry consolidation and geographic diversification achieved through interstate branching will enhance safety and soundness, reduce operating costs, increase competition, and improve customer service. Recent studies challenge these assertions, confirming previous admonitions that interstate activities of financial institutions may result in reduction of funds for local lending. Also, these studies found no evidence that mergers significantly reduce expenses. The OTS fails to provide any analysis in response to repeated allegations regarding the impact on those institutions that it purports to help. The OTS is ignoring current and relevant information such as these studies in issuing their branching regulation.

In light of this information, as well as the clear intent of Congress during last year's debate and vote, the Conference of State Bank Supervisors strongly urges the support of your and Senator Bumper's amendment.

We appreciate your efforts and look forward to working with you again.

Sincerely,

JAMES B. WATT,
President and CEO.

Mr. FORD. Mr. President, I do not know whether others wish to speak as relates to this particular amendment. If they do, fine. I would like to ask for the yeas and nays at some point, I say to my friend from Michigan, so that we might have a vote and not delay the action of the Senate as it relates to his particular piece of legislation. I yield the floor.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. RIEGLE. Mr. President, let me just say to my colleague from Kentucky, first, I appreciate his kind comment earlier in his remarks.

I know of no other speakers waiting to speak on this issue. I know there are some Senators who, during this debating period, had gone downtown to meetings. So I think we are then ready now if there is no reason to assume that anybody is going to be inconvenienced in that fashion.

I think, otherwise, we are ready to move to table the amendment and have the vote. Let me just enter a quorum call at this time and we will probably proceed with the vote very shortly. 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. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(At the request of Mr. RIEGLE, the following statement was ordered to be printed in the RECORD:)

• Mr. SANFORD. Mr. President, no one was more disappointed than I was when Congress failed to pass comprehensive banking legislation last fall. It is the responsibility of the Government to craft laws that promote strong economic activity throughout the country. A strong economy is dependent on a strong banking system. It is no secret that our financial world has changed dramatically over those 50 years.

Allowing interstate branching is the cleanest, most simple step we could take toward updating the banking laws and allowing the industry to become more competitive without adding any additional risk to the system. I believe that the concept of interstate banking and branching is simply good public policy. This is not a new concept—the groundwork has been firmly established. Essentially 48 States currently allow some form of interstate banking activity and 33 of them allow nationwide interstate banking. However, the legal structure currently required under interstate banking vs. interstate branching results in substantial, unnecessary operating costs for the banks.

We recently recapitalized the bank insurance fund with a loan from the taxpayers that is to be paid back by the banks. Considering this, it is beyond me why we are not considering legislation that would allow banks to streamline their operations and operate more efficiently which would in turn save the industry billions of dollars. A portion of these potential savings could help improve bank capital and lessen the risk of additional bank failures to the fund. In addition, competition resulting from interstate activity would subsequently expand consumer choices at better prices and make banking more convenient for customers.

I understand and share my colleagues' concerns over the implementation of such an important policy through regulations rather than statute. However, I am extremely disappointed that the Congress has not yet revisited this vital issue in 1992. Actions by the Office of Thrift Supervision [OTS] have brought this important issue back to the attention of Congress. Again, interstate banking and branching is the cleanest simplest step we can take to improve the condition of the banking industry without

adding undue risk to the system. In light of the important economic benefits to be derived from interstate branching, I think it is vital that we consider this issue again before the end of the session.●

Mr. MCCONNELL. Mr. President, I rise today in support of the amendment proposed by Senator FORD and Senator BUMPERS to impose a moratorium on interstate branching of savings associations. This would at least temporarily prevent the Office of Thrift Supervision [OTS] from using its regulatory authority to permit unrestricted interstate branching of Federal savings associations.

Mr. President, I hesitate to oppose interstate branching by Federal savings associations, because I believe that responsible and properly monitored branching will undoubtedly improve the competitiveness and efficiency of our financial industry. However, I do not consider the actions of the OTS as responsible or proper.

In November of last year, the Senate passed legislation that supported a responsible interstate branching measure which honored the rights of all States. Less than 1 month later, however, OTS proposed a rule to permit full interstate branching that steamrolls the rights of all States.

I realize the advantages that responsible branching will provide. In a policy statement, OTS stated that branching will "enable thrifts to diversify geographically their operations and thereby enhance safety and soundness."

I agree that branching will enhance competitiveness and efficiency; however, we can not deny States the right to monitor and regulate financial activity within their boundaries. State regulators can and should provide a critical service as they continue to monitor regional investment trends, bank concentration, community reinvestment levels, and critical economic information.

This legislation does not diminish the intent of OTS regulation, but would prevent the blind and reckless expansion of thrift organizations. As a matter of fact, all but four States already provide for some degree of interstate branching.

This legislation would place a 15-month moratorium on all interstate branching of all federally chartered thrifts. This legislation would permit the interstate branching issue to be studied and carefully evaluated. During the moratorium period the pre-OTS regulatory status quo would be restored.

Mr. President, this legislation will not hamper the ability of thrifts to engage in interstate branching, but would serve to strengthen the thrift industry and therefore, reduce the risk to consumers, State and Federal Government, and the economy. I believe this legislation is right for the people of Kentucky and the Nation as a whole.

I urge all of my colleagues to support this legislation.

Mr. FORD. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors to the Ford-Bumpers-Dole amendment: Senator FOWLER, Senator SIMON, Senator DECONCINI, and Senator KOHL.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. 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. Is there further debate on the amendment?

Mr. RIEGLE. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 2441. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from North Carolina [Mr. SANFORD] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote

The result was announced—yeas 15, nays 82, as follows:

[Rollcall Vote No. 128 Leg.]

YEAS—15

Biden	D'Amato	Murkowski
Bradley	Garn	Riegle
Chafee	Gorton	Rudman
Craig	Lautenberg	Seymour
Cranston	Moynihan	Symms

NAYS—82

Adams	Dodd	Kennedy
Akaka	Dole	Kerrey
Baucus	Domenici	Kerry
Bentsen	Durenberger	Kohl
Bingaman	Exon	Leahy
Bond	Ford	Levin
Boren	Fowler	Lieberman
Breaux	Glenn	Lott
Brown	Gore	Lugar
Bryan	Graham	Mack
Bumpers	Gramm	McCain
Burdick	Grassley	McConnell
Burns	Harkin	Metzenbaum
Byrd	Hatch	Mikulski
Coats	Hatfield	Mitchell
Cochran	Heflin	Nickles
Cohen	Hollings	Nunn
Conrad	Inouye	Packwood
Danforth	Jeffords	Pell
Daschle	Johnston	Pressler
DeConcini	Kassebaum	Pryor
Dixon	Kasten	Reid
Robb	Simpson	Warner
Rockefeller	Smith	Wellstone
Sarbanes	Specter	Wirth
Sasser	Stevens	Wofford
Shelby	Thurmond	
Simon	Wallop	

NOT VOTING—3

Helms	Roth	Sanford

So the motion to lay on the table the amendment (No. 2441) was rejected

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I understand that the managers of the bill now are willing to accept this amendment by a voice vote. And since we do have the yeas and nays on the amendment itself, I ask unanimous consent the yeas and nays be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2441) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I ask unanimous consent that Senator HARKIN be added as a cosponsor, and it be showed at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SEYMOUR. Mr. President, I want to take a moment to explain why I voted against the Graham amendment to the emergency supplemental bill. The emergency supplemental appropriations for disaster assistance for Los Angeles and Chicago, H.R. 5132, will appropriate a total of $1.94 billion in new budget authority. The Small Business Administration and the Federal Emergency Management Agency will receive $497.7 million to be directed to Los Angeles to repair damage from rioting and to Chicago to repair damage from flooding. This funding is contingent upon a Presidential "emergency spending" designation which under the Budget Act, such spending is exempt from the pay-as-you-go requirement.

The Graham amendment linked the emergency supplemental bill for Los Angeles and Chicago to the rescission bill. The Graham amendment provided that the appropriations authorized under the emergency supplemental bill would not become effective until such time as legislation is enacted and becomes effective that rescinds fiscal year 1992 funds in an amount at least equal to the aggregate amount of appropriations authorized under the emergency supplemental bill. In short, if the rescission bill had failed, so did the supplemental. The Graham amend-

ment put the emergency assistance for Los Angeles and other communities in limbo. The necessity of the emergency disaster money was too important; I could not put the future of Los Angeles at risk.

I understand that the collective memory of this body is usually brief. So let me remind my colleagues of the reasons why this legislation was so important. Four short weeks ago, beginning on the evening of April 29, this Nation was plunged into several days of the most destructive and bloody civil unrest in more than a century. And when it was over, Los Angeles looked like a war zone.

The toll from these few short days of pillaging and rioting had been tremendous. There were at least 58 deaths, over 2,300 injuries and over 5,300 structure fire calls. The city of Los Angeles estimated they spent $33 million in extraordinary costs to respond to the rioting. LAPD put in almost 200,000 hours of overtime to respond at a rough cost of $21 million. And that was just the beginning. Local and State officials are still adding up the costs. We saw entire communities go up in flames. Businesses that took years of sweat and hard work to build were destroyed. Livelihoods were destroyed. Property was pillaged. This was the most senseless and mindless looting and killing and burning we have seen in over a century.

The emergency supplemental appropriations bill was a necessary first step. The funding in the bill will go into the FEMA and SBA disaster assistance accounts to help all communities that have experienced disaster this year; And now, Los Angeles. The supplemental appropriations bill was needed to help innocent victims of the Los Angeles riots; the families and shopowners and community residents who have seen their communities and livelihoods torn apart.

Proponents of the Graham amendment argued that both the President and the Congress have proposed numerous rescissions, and that enactment of a rescission bill was imminent, and we ought to tie these two issues together. They argued the funding under this bill should be made contingent on first rescinding an equal or greater amount of funding than has already been enacted.

I understood the Senator from Florida's concerns that the Congress fails to provide adequate funding for FEMA, and I will work with him to see that additional funding is made available. And, surely, out of a budget of $1.5 trillion, we can find $2 billion of wasteful or low-priority spending and eliminate it. But, this amendment was not the correct vehicle to achieve that end. There was no assurance that the Senate, or the House, was going to support the rescissions as proposed by the President and modified by Congress; And this amendment was wrong, at this specific time, because it callously placed needed disaster relief in jeopardy.

In addition, by vetoing the rescission bill, the President would be able, in effect, to veto this emergency supplemental bill simultaneously. We should not set this precedent. Under the Constitution, the President has an option to veto a bill, but only one bill at a time. Approving the Graham amendment would be an abdication of legislative authority by Congress to the executive branch. Without speaking on the merits of either bill, we must, institutionally, insist that the President exercise his veto authority over each bill separately.

I stand for integrity in budgeting and the need for fiscal conservatism. And I stand ready to work toward these goals. I have always stood to reduce Government debt, only by reducing our massive deficit can we free up capital for necessary investments. I support a line-item veto for the President, a balanced budget amendment and a 60-vote supermajority requirement in the Senate on any bill to increase taxes. Mr. President, I endorsed the intent behind this amendment but could not support it as an addition to this particular bill.

Mr. CRANSTON. Mr. President, I am pleased to rise in support of the important legislation before the Senate today. The Federal Housing Enterprises Regulatory Reform Act of 1992 represents a watershed in the life of the housing Government-sponsored enterprises—Fannie Mae and Freddie Mac—and will fundamentally alter the nature and scope of their regulatory environment. This measure represents a bipartisan effort and was unanimously approved by the Banking Committee in April.

While this bill includes a number of important provisions regarding the GSE's, I would like to take a moment to focus on the importance of title V of the bill, which is designed to ensure that these corporations faithfully carry out their public missions and serve the housing needs of low- and moderate-income families.

There is general consensus that Fannie Mae and Freddie Mac efficiently and effectively serve the home ownership needs of the broad middle class. By linking the home mortgage market with domestic and international capital markets and by creating a more competitive market for home mortgages, mortgage interest rates are reduced by some 25 to 50 basis points. Perhaps more importantly, stability across geographic regions is brought to a primary lending market beset by restructuring and turmoil.

Yet there is a growing perception in recent years—among a wide coalition of lenders, builders, tenant advocates, State and local governments and other housing organizations—that Fannie Mae and Freddie Mac are simply not doing enough to serve the housing needs of low- and moderate-income families.

This coalition compared and contrasted the explosive growth of the GSE's in the 1980's with the significant reduction in housing affordability for both low- and moderate-income homeowners and renters during the same period. On the rental side, the gap between the supply of affordable rental housing and the demand of low-income renters grew to an alarming 4.1 million apartments. On the single family side, the Nation experienced a decline in home ownership rates, particularly among young first-time home buyers, for the first time in 50 years.

Other factors have also fueled the growing perception of GSE underperformance. The cutback in Federal housing subsidies and the dismantling of FHA's capacity have left affordable housing actors scrambling to find new partners, particularly partners like Fannie and Freddie, which receive considerable Federal subsidies. The growth of CRA-inspired affordable housing lending has revealed shortcomings in the wholesale, standardized approach of the secondary market. And Fannie and Freddie's own actions—their significant investment in low income housing tax credits as well as their creation of special affordable housing programs—have raised expectations.

Until late last year, the negative perception of GSE performance was based primarily on anecdotal evidence. Staff investigation found a disturbing lack of empirical information on the GSE's business—an information vacuum created primarily by HUD failing to carry out its own regulatory responsibilities throughout the 1980's.

The vacuum has now been partially filled. In October 1991, new data was made available under the expended Home Mortgage Disclosure Act. The new data—relying for the first time on actual borrower income—shows that, in 1990, only 23.5 percent of Fannie's single family business and 24 percent of Freddie's single family business served borrowers with incomes below the area median. The HMDA data totally undercut Fannie and Freddie's persistent claim—using les accurate data involving the purchase price of loans—that over 35 percent of their single family business was devoted to the low- and moderate-income market.

Other HMDA statistics were equally revealing and troubling. Only 2.5 percent of the loans purchased by Fannie Mae in 1990 were in neighborhoods in which 80 percent of the residents were members of minority groups. The comparable percentage for Freddie Mac was 3.6 percent.

Last September the Fair Housing Congress of Southern California issued a jarring report entitled "Taking It to the Bank: Poverty, Race and Credit in Los Angeles." The report's conclusions

revealed that financial institutions in Los Angeles do not provide adequate banking services, economic development lending, or affordable housing financing for lower income and minority communities. And the recent and tragic events in south-central Los Angeles highlighted these inadequacies and brought national attention to the need for significant improvements in our ability to provide access to capital and mortgage credit in our central cities.

Against this backdrop, title V of this bill would establish a comprehensive framework of goals, data collection, reporting requirements, and enforcement provisions. In particular, the legislation establishes three annual housing goals that will require the GSE's to increase the proportion of their mortgage purchases benefiting homebuyers and renters whose incomes and location have put them at a disadvantage in housing finance markets. This framework will ensure, for the first time, that the regulator and the Congress have all the information necessary to assess the performance of the housing GSE's.

My strong belief is that the critical combination of this legislation, an effective regulator and a vigilant Congress, will compel Fannie Mae and Freddie Mac to expand their commitment to affordable housing for low- and moderate-income families. It will not solve our affordable housing crisis—only significant increases in Federal housing subsidies can accomplish that. Yet, it will play an important role in ensuring that mortgage credit is increasingly made available to those individuals and for those purposes which for far too long have been ignored by the secondary market.

I urge all my colleagues to support this important piece of legislation. I commend the chairman, the ranking member, and their staffs for developing a balanced legislative product in an exceedingly difficult and complex area.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, while I have the floor, let me indicate that there may be two amendments remaining to be offered from the Republican side. Senator WARNER has one that has to do with disclosing the salaries paid to executives in major, nonprofit private-sector organizations like the United Way, organizations of that kind.

He is not quite ready to proceed, because he is just putting the finishing touches on his amendment. He has indicated to me that he will not take long on the amendment, but that he would like a vote on it. In any event, I just alert Senators to that prospect.

Senator BROWN also has an amendment which I think he intends to offer.

Either of those amendments could be offered at this time. I know of no others that are going to be offered. I really want to wrap up action on the managers' amendment. So I think we are prepared to take up either of those, if the Senators are ready to proceed at this time.

Otherwise, I would be happy to vote on the managers' amendment and hold those items to be brought up later in the bill. I mean, they would have standing later in the bill, as well.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. RIEGLE. I yield

Mr. BROWN. Mr. President, I might say to the distinguished Senator, certainly it is not my intention to hold up deliberations. My amendment would deal with Senator LAUTENBERG's initiative that is included, I believe, in the managers' amendment.

It is on its way over to the floor, and I anticipate it will be available shortly.

Mr. RIEGLE. All right.

Mr. President, as we await either the presentation of the amendment by Senator WARNER or the amendment by Senator BROWN, I am going to suggest, in a moment, if no one else is seeking the floor, the absence of a quorum.

And we will stand by, pending either of those Senators offering amendments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SHELBY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WIRTH. 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. WIRTH. Mr. President, Government-sponsored enterprises [GSE's] can pose a significant risk to the taxpayer. The potential exposure approaches $1 trillion. We need to guard against the danger of losses on that scale and I am pleased that legislation, S. 2733, to increase oversight and regulation of the GSE's that support housing lending is before us today.

Fannie Mae and Freddie Mac are healthy today. But both have experienced troubles in the past, although never to the extent that taxpayer funds were lost. The lack of imminent danger is no reason not to act today. In some respects, the sound condition of the GSE's makes this a good time to act because the GSE's are in a good position to adjust to new standards and a new regulatory framework. The GSE's health also gives us time to craft a careful piece of legislation that strikes a sound balance, protecting taxpayers from unreasonable exposure—our first priority in this effort—and ensuring that the GSE's can continue to support housing finance and homeownership.

The committee has worked hard on this legislation. In 1989, we included provisions in FIRREA directing the Treasury Department and the General Accounting Office to study the issue. We also began to hold hearings on the matter during that same year. In seven hearings over a 3-year period, we were able to carefully examine both Treasury's and the GAO's recommendations and consider the full range of issues related to GSE regulation. Our final hearing was held nearly a year ago and many members of the committee have worked since then with the GSE's and housing advocates to develop the consensus legislation before us today.

S. 2733 strikes the necessary balance. The legislation would: Protect taxpayers from losses; Protect the GSE's from the danger of overzealous regulation and punitive sanctions; and encourage greater GSE support for affordable housing.

S. 2733 includes minimum capital standards to establish a cushion between GSE losses and the taxpayer. It also establishes a new regulator—funded by assessments on the GSE's—within HUD to enforce the capital standards. GSE's with significant or critical capital problems can face restrictions on activities or growth, or a conservatorship. The regulator can also use cease and desist proceedings and civil penalties to enforce the capital standards.

The affordable housing provisions are also important and deserve notice. The GSE's are earning large profits today and benefit from an implicit Government guarantee that allows them to borrow at low cost. The public should expect some benefits in return for the risk to the taxpayer should a GSE fail. The public benefits from greater access to housing finance because of the GSE's. But we have an obligation to ensure that those benefits go to all Americans who want, and are able to, purchase a home. Today, the GSE's are not doing as good a job of supporting low-income housing as they could. For example, only 23 percent of the mortgages Fannie Mae purchases are loans to families with incomes below the median. By comparison, 28 percent of all mortgages are lent to those families.

S. 2733 requires GSE's to meet modest goals to purchase mortgages on housing occupied by low- and moderate-income families, and on housing located in central cities and other underserved areas. Regulators would also set an additional affordable housing goal. If a GSE does not meet a goal, it must submit an acceptable plan to meet future goals. If the regulator finds that the GSE is not making a good faith effort to comply with the plan, the regulator can seek fines and a cease and desist order.

I would like to note that the managers' amendment includes a provision I authored that would extend the current 3-year statute of limitations for civil claims filed by the Resolution Trust Corporation [RTC] to 5 years. This provision is identical to one that

passed the Senate earlier this year as part of the RTC funding package.

Many people affiliated with S&L's took advantage of the opportunity created by the combination of deregulation and desupervision to enrich themselves and their associates. Some engaged in outright fraud and theft or were negligent in their professional responsibilities, overlooking others' fraudulent activities. Bank and thrift regulators are able to file civil lawsuits against the officers, management, and board of directors of financial institutions, as well as outside professionals—usually lawyers or accountants—who advised a failed institution. Those suits can lead to recovery of losses caused by fraud or negligence.

However, the RTC can only file these suits within 3 years of an institution's failure. This statute of limitations is inadequate given the RTC's current workload. A larger number of thrifts were closed in 1989 and FIRREA's statute of limitations expires for 318 S&L failures this year alone. The clock has already run out for suits related to 222 thrift failures this year. Regulators face deadlines for additional institutions almost every week through the end of the year.

Over the next 3 years, regulators will have to examine the potential for lawsuits related to more than 400 additional thrifts already closed by the RTC. As many as 200 more institutions are expected to be taken over during the next 18 months and 500 more are in financial trouble and may eventually be closed. The enormous volume of this workload limits the Federal Government's ability to pursue all of the cases that should be pursued.

RTC officials recognize the need for a longer statute of limitations. At a March 11th Banking Committee hearing, Bill Roelle—the RTC's chief financial officer—testified "I sure do" when I asked him if he supported my legislation. I also have a letter from Albert Casey, the chief executive officer of the RTC, that supports the provision and ask that it be made part of the RECORD.

We should not allow individuals or businesses that contributed to a bank or thrift failure to escape a lawsuit simply because there was not enough time to develop and pursue a strong case. A longer statute of limitations will help the RTC use its limited resources more efficiently and carefully and increase the recovery to taxpayers from civil suits related to financial institution failures. It will also allow the RTC to reexamine institutions and pursue additional cases that may have been overlooked in the rush to comply with statutes of limitation that have already lapsed.

This is an important and urgently needed provision that should not wait until we provide additional RTC funding at some uncertain future date. I thank the managers for including this important provision in the legislation.

Mr. President, S. 2733 is a sound and reasonable proposal. It protects taxpayers from potential future losses, permits the GSE's to continue to bring needed liquidity to the housing finance market so that loans will be available to home purchasers, and ensures that the public will benefit from the implicit support we give to the housing GSE's. I would like to close my remarks by thanking Senator RIEGLE for his leadership on this legislation, particularly the affordable housing provisions, and urge my colleagues to join me in supporting S. 2733.

Mr. President, as we know, we have all been locked into deep concerns about the S&L crisis. What has happened is that, over the time of that crisis, the statute of limitations is running out on a lot of the individuals who the RTC and others want to bring to the bar of justice on these issues. The Wirth amendment, included in the managers' amendment, extends the statute of limitations.

Mr. RIEGLE. Will the Senator yield?

Mr. WIRTH. Yes.

Mr. RIEGLE. Mr. President, I want to commend the Senator for his efforts over a great length of time in this area. It is a very important part of the managers' amendment, and I am very appreciative of the Senator from Colorado on this issue.

Mr. WIRTH. I thank the Senator from Michigan and the Senator from Utah, who worked with us on this amendment. I know it has caused some controversy, but I think it is the right policy for us to be pursuing, particularly on behalf of the taxpayers in the country, to make sure that those who benefited from ill-gotten gains, we hope, are going to be forced to disgorge that ill-gotten gain. And I hope that will be the result of the Wirth amendment as part of the managers' amendment.

I thank the Senator from Michigan.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SHELBY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WIRTH). Without objection, it is so ordered.

The Senator from Alabama is recognized.

Mr. SHELBY. I thank the Chair.

(The remarks of Mr. SHELBY pertaining to the submission of Senate Concurrent Resolution 126 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

AMENDMENT NO. 2442 TO AMENDMENT NO. 2437

(Purpose: To amend the Internal Revenue Code of 1986 to improve disclosure requirements for tax-exempt organizations)

Mr. WARNER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Virginia [Mr. WARNER] proposes an amendment numbered 2442 to amendment No. 2437.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Truth in Tax Exempt Giving Act of 1992".

SEC. 2. PURPOSE.

The purpose of this Act is to require tax-exempt organizations to provide contributors, upon request, with a disclosure statement containing a full accounting of the organization's income, expenditures, and compensation (including reimbursed expenses) of its highest-paid employees.

SEC. 3. IMPROVED DISCLOSURE TO DONORS BY TAX EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Section 6033 of the Internal Revenue Code of 1986 (relating to returns by exempt organizations) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) ADDITIONAL REQUIREMENT FOR TAX-EXEMPT ORGANIZATIONS.—

"(1) IN GENERAL.—Every organization described in section 501(c)(3), other than religious, which is subject to the requirements of subsection (a) (other than an organization described in clause (ii) or (iii) of section 170(b)(1)(A)) shall—

"(A) advise each contributor of at least $25 of the availability, upon written request, of a disclosure statement described in paragraph (2), and

"(B) shall furnish such statement to such contributor within 30 days of such request.

"(2) DISCLOSURE STATEMENT.—The disclosure statement described in this paragraph is a statement for the most recent taxable year for which a return under subsection (a) has been filed, which contains the information described in—

"(A) paragraphs (1), (2), and (3) of subsection (b), and

"(B) paragraphs (6) and (7) of subsection (b), but only with respect to—

"(i) the 5 highest compensated individuals of the organization for such taxable year, and

"(ii) any other individual whose total compensation and other payments from such organization for such taxable year exceeds $100,000.

"(3) PROCESSING FEES.—Any organization furnishing a disclosure statement under this subsection may require that a reasonable fee to cover the actual costs of copying and mailing such statement be included in the written request for such statement."

(b) PENALTY FOR FAILURE TO MEET REQUIREMENTS.—Paragraph (1) of section 6652(c) of the Internal Revenue Code of 1986 (relating to returns by exempt organizations and by certain trusts) is amended by adding at the end the following new subparagraph:

"(E) DISCLOSURE STATEMENT.—In the case of a failure to comply with the requirements of section 6033(e)(1) (relating to disclosure statements provided upon request), there shall be paid by the person failing to meet such requirements $100 for each day during which such failure continues."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1993.

Mr. WARNER. Mr. President, I am pleased to come before the Senate today to introduce legislation, which, I believe, will strengthen public confidence in tax-exempt giving. In the wake of the startling financial disclosures regarding excessive compensation of high-level executives of certain tax-exempt organizations, notably the United Way, the public has understandably become concerned about donating their hard-earned dollars to tax-exempt organizations. A more detailed knowledge of how the money is to be spent by a tax-exempt organization will help restore their confidence.

Mr. President, all Members of this body, from time to time, have involved themselves and their families in work on behalf of a charitable organization or a tax-exempt organization under 501(c)(3) of our Internal Revenue Code. We do that, together with millions of Americans across our country, in the spirit of trying to help others who are less fortunate than ourselves.

America awakened to a very tragic situation when certain disclosures were made in connection with the highly respected, trusted organization known as the United Way. I shall not go into the details of that case because I am sure they are well known, but it prompted this Senator, and I think many others, to say that the American public—good-hearted, good-natured people, who want to help—is entitled to the basic information necessary for them to make an informed judgment respecting those organizations to which they want to donate their services and perhaps, more importantly, donate their money.

It is for that purpose that I introduce this piece of legislation today. I am going to summarize what it will accomplish and then I will be available to respond to any questions.

If it is the judgment of the managers of this bill, and if procedures regarding the present posture of this bill require that this amendment be laid aside so that other Senators and their staffs may give it more thorough analysis, I will be happy to do that. I wish to accommodate the managers of the bill and my colleagues. I shall, at the appropriate time, ask for a roll call vote.

Now, returning to the legislation itself, there is already under the requirements of the Internal Revenue Code a requirement on the tax-exempt organizations to file with the IRS a form and thereby disclose certain information. But as we all know, we do not go to the IRS. Most of us seek any opportunity possible not to involve ourselves with that agency. But in any event, it places a burden on the individual to go and get that information.

The basic purpose of this legislation is to shift that burden and, at the same time, improve disclosure requirements for tax-exempt organizations. Essentially, the legislation provides that if an individual gives $25 or more—and I felt it necessary to put in some threshold, $25 or more—then he can request of that charity, within 30 days, to mail to him the information they file with the Internal Revenue Service. Current law requires most tax-exempt organizations, including charities, to provide all pertinent information, such as money received and dispersed, assets, liabilities, overhead—including salaries—and more, usually on a Federal 990 form.

My bill also alters in some way the nature of that 990 form as it exists today, such that it can be made simpler, inclusive of more essential information and, frankly, more understandable by the average person who does not in daily life deal with such matters as filling out forms and sending them to the IRS. Mr. President, it is not, and I emphasize not, my intention to create onerous reporting requirements for tax-exempt organizations. In fact, my legislation's requirements should be able to be easily incorporated into the current 990 form, most likely on the first one or two pages.

Mr. President, many may claim that the top executives and the CEO's of tax-exempt organizations should be held to a different and, indeed, a higher standard than persons employed in the private sector, and in many respects that double standard does exist today.

The reality of the situation is that the public perception of a tax-exempt organization is one of a social service organization dedicated to the public good, certainly not a group out to make any personal profit or inordinate gain for its top brass, or to provide them with perquisites of office well beyond what the public thinks is proper for one who has given his or her life to try and direct these organizations.

Thus, compensation considered acceptable, and even commonplace, in the private sector could raise some concern, legitimate concern, if it is received by individuals administering the tax-exempt organizations.

I do not say that they are not entitled to a significant salary. I simply say let the significance and the size of that salary be judged by the donor, to determine whether or not he or she wishes to contribute to that organization.

Further, Mr. President, I do not want donors to only consider the salary of an executive as the bottom line. Rather, I want the public to see executive salaries in comparison to the amount of money the tax-exempt organization is bringing in, how the money is spent, how others in the organization are being paid, and so on. Only when the public has this additional information at their fingertips can they make an informed decision. It is imperative that we should never be subjected to another instance of donors hearing about $463,000 annual salaries, and then withdrawing support or money from tax-exempt organizations because they do not trust the organization to spend their donations as they see fit. The public must have absolute faith and confidence in the group they intend to contribute their hard-earned dollars.

Within the past few days, the Securities and Exchange Commission has issued a series of regulations requiring the private sector to make a greater degree of disclosure, primarily for the benefit of stockholders and others who hold financial interest in those companies and indeed those desiring to invest or otherwise do business with the companies. Why not have a parallel standard for those who work in the tax-exempt area? And I say there should be no distinction. If anything, the distinction should put a greater burden on those working with tax-exempt organizations because they receive the benefit of certain tax exemptions, and I am confident that most of them, the vast majority, can pass very clearly any test of scrutiny required by this legislation.

Let me give you some examples. We are talking about significant sums of money. According to Giving U.S.A., a New York-based magazine, in 1990, the total giving—this is just in the area of charities, not all tax exempts but just in the area of charities which is a subsection of 501(c)(3)—was $122.6 billion. Most of those funds come from individuals, and within that group of individuals, most of them from small donors.

With all the controversy today—and I think it is a good, healthy controversy in America—with all the controversy about high salaries and overhead costs, associated with private sector revelations, I think it is time we have a parallel standard to be imposed on the tax-exempt sector of our country.

What are these CEO's receiving? By way of direct compensation and, indeed, fees, fees that they may receive for other duties not associated with the tax-exempt organization, but in all likelihood, fees that are garnered as a consequence of their participation or office with the tax exempt—many of them receive significant speaking fees—they are able to augment the salary they receive from the tax-exempt organization. But such activities bear a direct relationship in most instances to the responsibilities under the tax-exempt organization.

The public will show their acceptance or, indeed, rejection of the salaries and the working conditions of these tax-exempts very quickly in the form of writing or not writing their checks to these organizations.

Another example. And I turn now to the New York Times which reported a survey of just the United Way chapters located in large cities across this Na-

tion, and their presidents' salaries. Most of them were well over $100,000. In fact, in cities ranging from Atlanta to Cleveland, Los Angeles to New York, the lowest salary was $108,000 and the highest was $243,000.

The average range was $160,000 to $170,000.

Mr. President, my colleagues, maybe they are worth it. I am not here to try to prejudge the credibility of whether those salaries are well earned. Maybe they are entitled to more. All I say is let the public be sufficiently informed so that they can exercise an informed judgment as they write that check or abstain from donating to that organization.

I could throw into that paragraph, of course, the revelations about the first-class flights, limousines, high-priced dinners, vacations. I know of instances where CEO's of many tax-exempts have their vacation villas in warm climates for the winter, and cold climates for other times of the year.

So I think it is about time that the donor be given the full facts. That is the sole purpose of this legislation.

Let me return also to a Wall Street Journal article of March 1992, which contained an article which showed 10 affiliates of the American Cancer Society in States across the country. The average affiliate spent more than 52 percent of its budget on salaries, pensions, overhead, and fringe benefits. Only 16 percent of the typical budget was spent on community services, the end beneficiary of all of these activities. To put it another way, for every $1 spent on services for the community, $6.40 is spent on salaries and overhead; overhead, of course, the cost of raising those funds, was included. The question is maybe that ratio is acceptable to the public, but let them have the facts to be fully informed.

As I see it, Mr. President, one of the main problems is simply that there is not sufficient oversight over tax-exempt organizations and the manner in which they disperse and expend public contributions, spending them for the ultimate beneficiary of the organization as well as for the associated expenses.

Their spending priorities are often not monitored as closely as those in the private sector because of the tradition of hands off: they are tax-exempt, the IRS is looking at them, and we trust our Government, so to speak, to ferret out those instances where there is abuse.

But how well we recognize that the IRS is already overburdened with tasks. They have very few people assigned to monitor the current 990 forms that are currently required and sent to them. I think it is time that we add to the board of directors of the tax-exempts the donors. Let them pull a seat up to the table, so to speak, have full access to the facts, and decide whether or not to write that check. Then, Mr. President, comes I think, the real sad part of this problem, as I see it, and that is the ultimate beneficiary.

The United Way had the most prestigious reputation in this community. As a matter of fact, our institution, the U.S. Senate, participated very actively in supporting this worthy, I might say very worthy, charity through the combined Federal campaign. In my office we actually look forward to making our contributions, to tally our total comparing it with other offices, and seeing how we come out. It was considered a privilege to be that person in the office that year that would be the chairman to solicit funds from among those whom we work with in our office.

Indeed, there was the imprimatur of the U.S. Senate on the United Way because Senate employees, Senate offices, other Senate associates, were utilized for the purpose of collecting these funds. I think most of us, after we have made such contribution as we could, felt good about it in our heart knowing that we were really, truly helping someone that needed that help. Just look at the long list of beneficiaries that are dependent on the United Way.

Now, this year, with this disclosure of their senior executive, how they expended these funds for salaries and other purposes, I do not know what participation will be like here in the Senate and within other Government entities, or what the totals may be. But I am gravely concerned that many of those small organizations, some of whom totally rely on the allocation from the United Way to do their work, will not have the funds they budgeted for this year. And many, many ultimate beneficiaries, sick, disabled, and otherwise, will not be provided for as we had hoped for.

Then there is the separate question—and this legislation covers it—of organizations which are not charitable in nature but are doing work ostensibly for the public good, and receive the benefit of the tax-exempt status of the Internal Revenue Code. There are many persons who have long been curious about just how much do the various CEO's and top-ranking officials of these organizations receive. What is the extent of the purposes of office? How do they handle their expense accounts? This piece of legislation will pull back the curtain and allow the light to come in, and where a light falls truth and indeed honesty I think must spring up.

I am very hopeful that this piece of legislation will receive the strongest endorsement by this Chamber and that in due course it will be well received in the other Chamber and, indeed, in conference, because I think this type of legislation is long overdue. As I said, the SEC is now imposing on the private sector the standards and goals which are comparable to those contained in my bill.

Mr. President, there are other technical parts of the bill. I have spent quite a bit of time figuring out the least onerous manner in which the tax-exempt organization can inform contributors that there is an available disclosure form available at the donor's request. I do not wish to micro-manage the internal workings of the IRS, and therefore I purposely did not write into my legislation specially how the IRS is to implement this. The logical course of action would appear to be as such: Donors would send a contribution to their favorite tax-exempt organization. The organization would then send the donor back an acknowledgment noting the contribution and informing them that there is a disclosure form prepared by the tax-exempt organization which is available.

Further, I do not wish to impose on a particular charitable organization a heavy burden of expense associated with preparing and mailing to donors the required information.

So we are putting in here that those individuals who request the information have to pay a reasonable fee. I would think no more than a few dollars, and perhaps the tax-exempt organizations may even require a self-addressed, stamped envelope. But we are laying a foundation to start this year with this legislation and perhaps in ensuing years, after we get some experience, we can determine how to improve this.

I have also received questions about my choice of the IRS as the agency who would administer these disclosure requirements. I chose the IRS because they already administer the 990 form. It seemed cost effective not to create yet another bureaucracy, or place responsibility elsewhere in Government, to oversee charitable disclosure when in fact, my legislation's requirements include only a few extra steps above and beyond the current requirements of the current 990. The IRS's role in this is clear; tax-exempt organizations under the Internal Revenue Code and the IRS administers the reporting requirements for tax-exempt organizations.

I am not suggesting that this answers every problem associated with tax-exempt organizations, but I think, I say respectfully, it is a good start. I struggled with how do we deal with the person who gets the piece of literature requesting a donation, and they do not have the facts to really make an informed judgment.

Can all of the potential donors then request of a tax-exempt organization information so that they can prejudge their decision to give or not give?

I was not able to come up with an answer to that. I assure you that, for the balance of my career in this institution, I will work on that and try to im-

prove this legislation. But given the urgency to move forward now, there are some areas which I simply could not resolve. Maybe better minds than mine can figure out a way to not overburden a charity, not subject a charity and tax-exempt organization to a proliferation of inquiries of people who literally want to harass them.

So you have decided to make a contribution, and then thereafter, you can begin to get the information and determine next year whether or not you made the correct judgment. But it is a gimmick of this process.

Maybe during the course of the deliberations of this bill today, and the conference in the House, someone could come up with a solution to that problem. But at the moment, I am trying to make a start so that the persons who decide to give $25 or more to a tax exempt can rest assured that they are going to get back the information, and they can determine that, yes, I did make a proper decision, or I did not, or I can complain, or in some instances, ask for my funds to be returned.

But we have to make a start. And this piece of legislation, I think, is a constructive objective, and a fair way to make that start.

If this bill becomes an act, it will help to clean up their act, that is the ones who may be taking advantage of the system. I am confident most tax-exempt CEO's and their principal assistants are fairly discharging the special trust reposed in them by both the donors and beneficiaries of their good work. They can face the public and disclose with pride and confidence as to how they fulfill their special public trust.

Mr. President, I think I will yield the floor at this time. There may be others who wish to pose questions to me or otherwise discuss this legislation. However, I will at this time ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. WARNER. Mr. President, I wonder if you can get the attention of the managers of the bill and propound the question once again?

Mr. RIEGLE. Mr. President, I was actually listening, but I was also being informed of another problem that we had not foreseen. And that is that we have a message from the Finance Committee that they are very concerned about adding this particular amendment—which falls within their jurisdiction—on this legislation, which falls within the scope of the Banking Committee.

I am told that Senator BENTSEN himself wants to come over and be part of the discussion.

The concern is that if this item goes on this bill in this form, it may very well cause this legislation to be what is called blue-slipped over on the House side, so that it would, in effect, send the legislation down a side track where it would not be able to move as it should. I know that is not the intent of the Senator from Virginia, nor does that accomplish his goal.

So it may very well be that in order to try to find the means by which the proposition he is advancing can in fact take place, that we may want to find a different vehicle, because we do not want to send the Senator's amendment into oblivion or send this bill itself into oblivion.

So I think until we can have a further clarification of that from the Finance Committee, maybe what we ought to do is just—without any prejudice to the amendment—hold it in abeyance to see if we can find an answer to solve these multiple problems

Mr. WARNER. Mr. President, I am most respectful of the manager's request. I readily accede to it. I said by way of preliminary remarks that I would be happy to accommodate the managers and other Senators if they had problems.

I am quite aware of Senator BENTSEN's desire to make sure this is handled in a proper way. I am not fully knowledgeable about all of the blue-slip procedures in the House as relates to tax matters, or matters that relate to the Internal Revenue Code. But I am more than happy to engage in a colloquy with the distinguished chairman of the Finance Committee at such time as he arrives.

If the managers wish to make this the pending business and lay it aside at this time, I would be happy to do that.

Mr. RIEGLE. Mr. President, I am going to take the Senator up on that offer.

Let me further add this for the Senator's consideration: We have an energy bill coming up here within a matter of days, which has been reported out of the Finance Committee, and which would be an appropriate vehicle to carry this amendment.

My guess would be that in that very same fashion in which this amendment will gather support here, it would likewise be able to gather support there. But it would be on a train that would take it to the destination where it needs to go. That may be the avenue that is immediately forthcoming that would serve the Senator's purposes, and not end up in a situation where we would get an unintended consequence.

Mr. WARNER. Mr. President, I am readily agreeable to that. So we will lay this amendment aside until the chairman of the Finance Committee or others wish to address it.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the amendment of the Senator from Virginia be temporarily laid aside, and that the floor be open to other amendments, with the thought in mind that we return to the Senator's amendment at a later time.

The PRESIDING OFFICER (Mr. LIEBERMAN). Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2443 TO AMENDMENT NO. 2437

(Purpose: To provide for an effective date for the method of computing liability for certain releases or threatened releases of hazardous materials)

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 2443 to Amendment No. 2437.

On page 273, after lines 20:

Amend section 1065 by adding the following language to the end of paragraph (f):

"The amendments made by this section shall become effective immediately upon the reauthorization of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.".

Mr. BROWN. Mr. President, this amendment relates to the Lautenberg amendment, which is included in the managers' amendment offered to this bill. It is a very simple amendment. It simply says that the effectiveness of the Lautenberg section would not become effective until this Congress has reauthorized the Superfund.

The purpose of this is quite straightforward and simple. We ought to, when addressing the question of changing liability under the Superfund, be willing to look at the entire act; that taking it piecemeal, exempting certain parties from liability, is a mistake if we do not take the time to address the entire subject.

I do have an amendment that I would like to offer that addresses the whole question of liability.

Mr. President, I must say that I believe municipalities are treated unfairly under the current Superfund statute. To suggest that volume ought to be the key factor in delineating liability I think is simply plain wrong. The circumstances we find with many of our municipalities is that they have contributed a huge portion of the volume of material that goes into these sites. But they have created a dramatically smaller portion of the hazardous material which caused problems.

To assist our cities' liability, based on their volume alone, is unfair, unreasonable, and I think is a damaging factor with regard to support for this vital cleanup effort.

So I am one who believes, as Senator LAUTENBERG does, that the formula needs changing. I think our municipalities deserve and merit protection and a change in the formula.

Mr. President, the answer is not to change it by itself. The answer is to treat people fairly and evenhandedly and consistently. This, the Lautenberg amendment does not do. All people who deliver waste to a site are not treated fairly or evenhandedly.

The Lautenberg amendment transfers liability between parties to the tune of hundreds of millions of dollars. Let me repeat that, hundreds of millions of dollars of liability are changed under the Lautenberg amendment. That particular amendment has not had the benefit of hearings and markup in the form that it was offered on this floor. The amendment was not available until shortly before it was offered on this floor.

I believe, before you change hundreds of millions of dollars of liability under the Superfund, that ought to be examined thoroughly. And all this amendment says is the Lautenberg amendment becomes effective only when we reauthorize the act. Senator LAUTENBERG, I think, will be holding hearings next year. It has to be reauthorized by 1994. But adopting this amendment on the effective date will give us a chance to look at all the questions in context. There are a lot of questions to look at. Transaction costs for the Superfund liability cleanup sites has seen 88 percent of the cost not to go to cleanup, but costs go to insurance companies and a variety of other litigate matters. In other words, most of the money is simply not being spent to clean up but to debate and litigate the problem. That has to change.

We have to examine the formulas. Some people, who are entirely innocent, who have done nothing wrong, and the product they delivered to waste sites is not the problem that has caused cleanup action, are being found liable under the current act.

We need to deal with the de minimis rule. We need to deal with the allocation with regard to municipalities. I think it is important that we look at all those things and to change the law piecemeal without looking at all of it, I believe, is a great mistake.

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. BROWN. Mr. President, let me clarify, if this amendment is agreed to, the Lautenberg amendment would become effective. This does not eliminate the Lautenberg amendment at all. It simply says that the effective date on the Lautenberg amendment would be effective after the reauthorization. It seems to me that is an appropriate move with the change of liability of this size.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Is there further debate?

The Senator from Michigan [Mr. RIEGLE].

Mr. RIEGLE. Mr. President, I know the Senator from New Jersey, who obviously has a deep interest in this amendment, will want to be heard on it, and I am told he is on his way to the floor. So I think we need to remain in a quorum call until such time as he can arrive and engage the Senator from Colorado.

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. PELL. 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. PELL. Mr. President, I ask unanimous consent to proceed as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Rhode Island is recognized.

Mr. PELL. I thank the Chair.

(The remarks of Mr. PELL pertaining to the introduction of Senate Joint Resolution 322 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. LAUTENBERG. Mr. President, I would ask what the pending business is, please?

The PRESIDING OFFICER. The pending business is the second-degree amendment offered by the Senator from Colorado to the managers' underlying amendment.

Mr. LAUTENBERG. I thank the Chair.

Mr. President, we are here now discussing something that I thought was thoroughly aired only yesterday in about 3 hours of debate in which many opinions were heard, many views on the question of addressing the problems that municipalities and others face when, in fact, they are simply generators or transporters of garbage, trash.

We discussed at length the fact that municipalities and other parties—that is anyone who simply transported or generated trash—ought to be able to be caught in the web of a diversionary tactic. Because, in many cases we are talking about small business people. We are talking about municipalities strapped to the wall by the elimination of programs that used to be available to them, by having to raise taxes that most of their residents cannot afford. By attempting to engage these innocent parties in lawsuits, the polluters have a chance to run their legal bills, to make certain that they do not come to the day of judgment when they ought to, to make certain that as long as they can put it off, drag it out, drag them down, just keep it going—that is the mission.

For many of the communities in my State and in 450 communities across the country, that kind of defense is so burdensome they cannot even begin to fathom how they might handle it.

We know in town after town, in State after State in this country, that communities are doing without things that help them function, protect their citizens. They are laying off law enforcement personnel, fire fighters—that whole scheme of things—closing libraries.

Now, after we have had this extensive debate yesterday, which was resolved in the vote on the floor, and I remind my friend from Colorado the vote was 52 to 44, and it was a vigorous and very spirited debate, we took care of all of the issues. As is the system here, the majority prevailed, and that is the way we hope it will continue to be. The majority won the issue.

Now we are looking at an attempt to waylay that decision by a significant majority of those voting yesterday.

The amendment is opposed, just as was the amendment yesterday, by the United States Conference of Mayors, the National Association of Counties, the American Communities for Cleanup Equity, the Sierra Club, the Natural Resources Defense Council, Clean Water Action, the Environmental Defense Fund, and U.S. PIRG. This amendment ignores all of the work that was done yesterday and the conclusion that was arrived at.

It is time to act to help the local taxpayer and small business person now. This amendment would make our hard-hit cities wait until the end of 1995 before taking action. Who knows how many small businesses who simply generate or transport garbage could be bankrupt or have their financial stability seriously impaired by this wait?

Part of the debate yesterday focused on whether or not we ought to wait until the end of the current Superfund authorization period, which again is 1995. And the response was very clear. It said: If we have obvious abuses we ought to deal with them and deal with them now.

So rather than take the chance that these legal costs, cleanup costs, are going to be unfairly shifted to local taxpayers as these suits proliferate over the next 3 years, we ought to get on with confirming what it is that was decided after yesterday's discussion.

We voted last night to keep these provisions as they were. Opponents of the provision argued repeatedly that we ought to wait until reauthorization. But once again, the decision was made.

So I urge we once again reject an argument that would defer the implementation of this amendment that would protect the cities and the innocent transporters from being dragged into lawsuits unjustifiably, in many cases, that cost them legal fees, that place them in jeopardy in terms of their financial well-being; and that we ought to get on with doing what this Senate agreed that we would do yesterday.

Mr. President, I move to table the Brown amendment. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. DOMENICI. Mr. President, will the Senator permit me to speak?

Mr. LAUTENBERG. Will the Chair repeat?

The PRESIDING OFFICER. There was not a sufficient second.

Mr. LAUTENBERG. Will the Chair request a show of hands?

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LAUTENBERG. Mr. President, I yield the floor.

The PRESIDING OFFICER. The motion to table is nondebatable.

Mr. DOMENICI. Mr. President, I was seeking to speak, and I did not get here in time.

I ask unanimous consent, in spite of the status of the motion I be permitted to speak for no more than 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from New Mexico, [Mr. DOMENICI] has the floor for up to 5 minutes.

Mr. DOMENICI. Mr. President, I ask if the clerk would advise me when I have spoken 3 minutes so I can yield 2 minutes to the Senator from Colorado.

Mr. President, I rise again to indicate to the Senate what a critical vote this is.

The distinguished Senator from Colorado has put in the effectiveness of this amendment, that is the amendment in the managers' bill changing the Superfund law—he has put it into graphic terms regarding that particular facility in his State. If we change the law, it is going to wreck havoc upon the businesses that are in the lawsuit that are going to have to share in the costs.

I understand the cities, and in particular in the Colorado case, the city there, is faced with the burdens of litigation, of the contingent liabilities that are absolutely enormous in these kinds of cases. But I do not think we ought to cavalierly say it does not really matter what it is going to do to business by taking cities out; let us just do it because, after all, the cities have to tax people and they are hurting.

I repeat, businesses in America, large and small, have to make money. You know, we finally arrived at the point in our history that we cannot stop describing business as it is. If they do not make money they go broke. If they go broke, they do not produce jobs, they do not pay people. So, it seems to me, we ought to treat them both fairly. Cities are important. But they are liable. And they are in lawsuits under the Superfund situation with just the same kind of situation as business.

They are screaming just as business is. They are claiming that they are being sued irresponsibly, just like business is. And I do not believe, with the Senator from Colorado telling us how it is going to hurt businesses that are no more responsible tomorrow than they are today—yet we are going to make them so. Tomorrow they are going to be more responsible—more liable, I should say. They are going to have to pay more because we arbitrarily are going to take out the cities from under this Superfund scheme of liability, which is irrational from the beginning. But now we will make it even worse, but we will say it does not even matter because it is business that is going to pay the bill.

I yield the remainder of my time to the Senator from Colorado.

Mr. LAUTENBERG. Is the Senator asking a unanimous-consent agreement to yield that time?

Mr. DOMENICI. Mr. President, as I understood it I had 5 minutes. I assume that meant 5 minutes under my control. I am yielding part of that time to the Senator from Colorado.

Mr. LAUTENBERG. How much time remains?

The PRESIDING OFFICER. The Senator has 2 minutes remaining. The Chair assumed the 5 minutes would be under the control of the Senator from New Mexico to do with as he wished.

Mr. DOMENICI. I thank the Chair and I thank my friend from New Jersey.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. My intent would be to be concise. My good friend from New Jersey I think has summarized the issue quite well and, I think, fairly. I would merely make two points that deal with, perhaps, details that I think are somewhat different.

The distinguished Senator from New Jersey has indicated we are dealing with municipalities who have not been involved in generating or transporting toxic materials. The amendment does this, including constituent components that may be deemed hazardous substances under this act when they exist apart from municipal waste.

So what is excluded or what will not be counted or available for other liability is the transport of material that is hazardous if handed separately.

So we are not talking about simply benign material here. We are talking about material that would be exempt that is hazardous. And that is what is exempt.

Second, a small item. The suggestion was that this amendment delays until 1995 the effectiveness of the amendment by the Senator from New Jersey. Technically, that is not correct. It delays it until reauthorization.

Let me say to the Senator I understand him using the 1995 date. That is a reasonable assumption to make. But I simply wanted to take this time to assure the Senator that it is my hope we can reauthorize that act quickly, and I want to pledge my support for getting a bill quickly to the floor and dealing with it.

Mr. President, last—and I want to emphasize this—we are dealing with hundreds of millions of dollars of liability being transferred from one party to another. This amendment that is in the managers' amendment was not available even before we got to the floor, even though the distinguished Senator worked on this issue before and had similar amendments available before.

We should not, I believe, be changing liability of enormous proportions without taking the time to look at the overall bill comprehensively. The amendment is very simple: Do we want to transfer hundreds of millions of dollars in liability without looking at the whole amendment? I think we ought to look at it.

The PRESIDING OFFICER. The time of the Senator has expired.

The question is on agreeing to the motion to table the amendment offered by the Senator from Colorado.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Montana [Mr. BAUCUS] and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 42, as follows:

[Rollcall Vote No. 129 Leg.]

YEAS—54

Adams	Fowler	Mikulski
Akaka	Garn	Mitchell
Bentsen	Glenn	Moynihan
Biden	Gore	Nunn
Bingaman	Harkin	Pell
Boren	Heflin	Pryor
Bradley	Hollings	Reid
Bryan	Inouye	Riegle
Bumpers	Kasten	Robb
Burdick	Kennedy	Rudman
Cohen	Kerrey	Sarbanes
Conrad	Kerry	Sasser
Cranston	Kohl	Seymour
D'Amato	Lautenberg	Simon
Daschle	Leahy	Specter
Dixon	Levin	Wellstone
Dodd	Lieberman	Wirth
Exon	Metzenbaum	Wofford

NAYS—42

Bond	Chafee	DeConcini
Breaux	Coats	Dole
Brown	Cochran	Domenici
Burns	Craig	Durenberger
Byrd	Danforth	Ford

Gorton	Lott	Rockefeller
Graham	Lugar	Shelby
Gramm	Mack	Simpson
Grassley	McCain	Smith
Hatch	McConnell	Stevens
Hatfield	Murkowski	Symms
Jeffords	Nickles	Thurmond
Johnston	Packwood	Wallop
Kassebaum	Pressler	Warner

NOT VOTING—4

Baucus	Roth
Helms	Sanford

So the motion to lay on the table the amendment (No. 2443) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, I yield now to the Senator from Virginia, who, I think, wants to make a statement.

AMENDMENT NO. 2442

Mr. WARNER. Parliamentary inquiry. Mr. President, the pending business before the Senate at this time, I believe, is the amendment of the Senator from Virginia; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WARNER. Mr. President, momentarily, I shall ask unanimous consent that the amendment be withdrawn. Before doing so, I first want to thank the manager of the bill and the distinguished chairman of the Finance Committee, the Senator from Texas, and others who had brought to my attention that there is, in one clause in my amendment, a basis for the allegation that this is a revenue measure and, therefore, it would subject the underlying bill to certain procedural difficulties in the other body. For that purpose, I desire to withdraw my amendment.

Mr. President, I will continue to pursue my objective in this amendment, because I think it is imperative that the American public be given more facts about tax-exempt organizations so they can be better informed as to how their money is expended, and the relationship between the net sum that eventually goes to the ultimate beneficiaries of tax-exempt organizations as it compares with the organization's expenses.

I thank the distinguished chairman of the Finance Committee. He has offered at this time, not to support me, but first to look at it and to have his committee staff work with me to see if, in fact, I can reoffer this legislation on subsequent legislation which is germane to the nature of my amendment.

Mr. BENTSEN. Mr. President, I thank the distinguished Senator from Virginia for his cooperation on this procedural matter that affects the jurisdiction of the Finance Committee. We will be delighted to work with him to see that we fulfill the procedural questions. Had this been done otherwise, of course, we would have had further problems on the House side. I appreciate the Senator's consideration. I thank the Senator.

Mr. WARNER. I thank the Senator from Texas and the managers.

I ask unanimous consent that my amendment may be withdrawn.

The PRESIDING OFFICER. The Senator has that right.

The amendment is withdrawn.

The amendment (No. 2442) was withdrawn.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am currently awaiting an evaluation of this amendment by two Senators. I do not think I will send it to the desk until I get an evaluation from them. But let me suggest what I am going to try to do. I think that, subject to maybe changing some of my language, the Senate would actually welcome this.

I do not think there is any doubt that this Senate, in the last 2 days, has at least said one thing about the Superfund. I regret that it is before us, but it happens to be, just because a little piece of the Superfund liability is before us. I think what has come out is that this Superfund, with all of its ramifications, is an extremely critical piece of legislation, and that, in fact, the way it is being administered, handled in the courts of law, used or abused by the attorneys who get involved almost from day one, abused by some companies who have learned the tricks of how to get out of this, this law is so complicated and its ramifications so little known that we ought to have some detailed information very soon about just what is going on.

I will wait a while and see what Senator LAUTENBERG thinks about it, and the distinguished majority leader's staff is looking at it. We talked with them for a number of months. Essentially, what we would like to do is to make sure that, in 15 months, we have done three things: We have directed the Administrator of the EPA, by December 31 of 1992, to compile a host of information on sites on the National Priority List [NPL], and the centralizing of information into one computer base. The purpose of doing this is to ensure that any analysis done on the program will pull the same base of information together. Much of this information has already been developed by the agency; some has not. But I do believe that the task can be completed by the end of the year, as mandated in this provision. That would provide a very relevant base of information that is all oranges. It is oranges and oranges, because we put it all on the computer base which is similar.

Second, the amendment charges the General Accounting Office with the task of reviewing all relevant governmental and other studies that have been performed to assess the act and, by July 1 of 1993, provide a report to the Congress evaluating these studies. The purpose of this provision is to have an impartial analysis of the myriad of relevant studies in order to assist Congress when we begin to look at this seriously and in a profound way.

It is my understanding that the GAO, because this has been such a big subject matter of investigation, has developed considerable expertise on the Superfund law and, therefore, I think it is appropriate that we ask them to look at all the myriad of studies—some complimentary, some critical, some in the middle—and give us their assessment of these studies so that this myriad of outside information will be more relevant, because it is understandable.

Third, the amendment would require that the Administrator of the Agency for Toxic Substances and the Disease Registry, with the concurrence of the EPA and in consultation with the National Academy of Science in the National Academy of Engineering, prepare a report to Congress which examines a statistically significant number of sites on the NPL with respect to present and future risks, based on actual exposure data or estimates of data to human health and the environment presented by these sites, not all six of them, but a statistically sound number. Based on that data, the report would look at the costs of remedial measures based on the risks posed and the viable uses of sites after mediation, taking into account the implications of land use policy and the effect of post cleanup liability.

This expert group, working in conjunction with the EPA, would be required to provide a reasonable opportunity for written comments on the report prior to submission to Congress. That part was put in, because even though this is not technically a conclusive kind of action, it was felt that they should keep it open for written comments from whomever and whatever kind of institution would want to make them.

So I am prepared to tell the Senate that we should not be adopting substantive amendments at this time. Instead Congress should be actively seeking information that will be needed for us to make informed reasonable decisions. But since we have opened the door, it would appear to me that it might be even more appropriate to do this in behalf of the country, in behalf of possible victims of hazardous wastes, and in behalf of cities, American business and, yes, I might say we might get a bird's eye view of how the legal community is acting with reference to the Superfund.

With that I ask my friend from New Jersey if he sees any reason that this amendment should not be adopted or, if he has any suggestions for amending it. I certainly would be interested in his

observations if he cares to share them with me.

Mr. LAUTENBERG. Mr. President, I thank the Senator from New Mexico for offering us an opportunity to review it, to see whether or not there are any objections or whether we can resolve any differences in some face-to-face discussion.

I would have to ask the Senator from New Mexico whether we could just buy some time here for a little bit and look at it in some more detail. We have just now seen it. The Senator in his remarks did make mention of the fact that there have been a number of studies and there are ongoing requests now that are being reviewed. I would like to see if we can get some kind of consolidated point of view, because as I looked at this, cursorily, what I saw was that there was a request that GAO review other reports that are being developed. And as the good Senator knows I do not know how much time they have or how many requests they have, but I know they are very hard at work.

There is also a reference here to ATSDR. I do not know if they have the money to do this. I would like a little time to make some inquiries and then I will be happy to get back to the Senator. I appreciate the fact that he had not submitted this and we will have a chance to chat together or make a decision a little bit later on.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank my friend from New Jersey. Let me just suggest, there is nothing at all about this amendment, from what I can tell, that is in any way biased one way or another.

This is not an indictment of the program or a statement that it is grand and glorious. It merely indicates that there is so much comment coming out on it that one could hardly read the reports, and there is so much discussion that one wonders what is real and what is just scuttlebutt. Therefore, I thought it might be appropriate to bring it all together under the two or three headings that most people are concerned with, and it might shed some real constructive light on it.

With that, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CONRAD). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that the order for the quorum call be recinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that I may be permitted to speak as if in morning business for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SUPREME COURT'S DECISION IN LEE VERSUS WEISMAN

Mr. LIEBERMAN. Mr. President, I am surprised and disappointed by the Supreme Court's decision in the case of *Lee v. Weisman*, which was issued this morning, and I rise to say a few words about it.

Mr. President, throughout my career, both as a lawyer and most recently before coming to the Senate as attorney general for the State of Connecticut, I have argued for a particular broader, less exclusive view of the religion clauses of this first amendment.

In this case, I think the Supreme Court has acted in a way that I feel is not consistent with the dictates of the Constitution or the best interests of United States of America. In the case of *Lee v. Weisman*, a public school graduation ceremony included a brief nondenominational prayer in which God's blessing was asked, thanks to God were offered, and amen was uttered.

Well, the Supreme Court today said no more of that; no more to a practice that is probably older than our Constitution itself. For more than 200 years, students in this country of ours have heard prayers at their graduation ceremonies, and I believe that we are a stronger not a weaker nation as a result of it.

Mr. President, we would do well to remember that our Constitution promises freedom of religion, not freedom from religion, and that is because, as a matter of historical fact, we are a religious nation, founded by people who believed in God and were given sustenance and purpose by that belief; people who freely worshipped God, who in fact invoked the name of the Lord in our Constitution and spoke explicitly of God and the Creator in the Declaration of Independence.

It is very hard to imagine that the people who wrote these great documents that have held us together and given us purpose for now more than two centuries intended that these documents be used to prohibit the mention of God's name in a public school graduation ceremony.

Mr. President, the laws of a society should express the values of that society. To me, one of the great values of American society, which I believe is shared by most all Americans, is a belief in God. Today the Supreme Court puts that widely and deeply held value further outside of our law, and thereby diminishes our society. We suffer from too little mention of God's name in public places, not from too much mention.

Mr. President, we have a long and I think proud tradition of nondenominational prayer being offered in public places—including this Senate itself—which has enriched our lives and made us a more principled nation.

I understand that the Supreme Court, in its decision today, distinguishes between prayer at public schools and prayer in other public places. But I think that a public school graduation is even more like a public ceremony where the Court says that prayer is allowed than it is like a school classroom where the Court says it is not allowed. And I also believe that the students who are graduating will lose much more than they will gain from the prohibition of prayer at their graduation.

Mr. President, we are in fact one nation under God, as our children pledge most every day at their schools. I regret that today's Supreme Court decision will prohibit them from thanking God and asking for God's continued blessings as they graduate from those schools.

I thank the Chair.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. EXON 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. EXON. Mr. President, I ask unanimous consent that we set aside the pending matter and that I be permitted to proceed for 2 minutes as if in morning business for the purpose of introducing a piece of legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska is recognized.

Mr. EXON. I thank the Chair.

(The remarks of Mr. EXON pertaining to the introduction of S. 2888 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. EXON. I thank the Chair and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2444 TO AMENDMENT NO. 2437

Mr. DOMENICI. Mr. President, I send an amendment to the desk on behalf of myself, Senators DOLE, SEYMOUR, and NICKLES, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself, Mr. DOLE, Mr. SEYMOUR, and

Mr. NICKLES proposes an amendment numbered 2444 to Amendment No. 2437.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. . NATIONAL ECONOMIC STRATEGY.

(a) It is the sense of the Congress that legislation should not be enacted that would:

(1) increase taxes on the American people and or small and large businesses over four years by at a minimum of $150 billion;

(2) increase taxes by an additional $10 billion on all businesses both small and large by imposing a 1.5-percent tax on their payroll for undefined training and education programs;

(3) increase spending for various and sundry domestic programs over the next four years by over $190 billion for loosely defined programs to "put America to work" and increase "lifetime learning";

(4) increase Federal spending by nearly $200 billion for health care programs and impose another $100 billion in taxes on employers to partially pay for this spending;

(5) provide for a child tax credit or a middle income tax cut that would add another $45 billion to the deficit over the next four years or further increase taxes on businesses and other individuals;

(6) increase the Federal deficit and not achieve a balanced budget in this century;

(7) terminate only one Federal program (the honey price support program);

(8) reduce mandatory spending by less than one-half of one percent over the next four years;

(9) reduce defense obligational authority by $90 billion more than currently planned and in addition to the $220 billion of reductions already planned; and

(10) violate the 1990 Budget Enforcement Act provisions setting aggregate spending caps on discretionary programs and pay-as-you-go provisions for entitlement and revenue programs.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. D'AMATO. 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. D'AMATO. Mr. President, I ask unanimous consent that I be permitted to proceed as in morning business for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

STOP SLOBODAN MILOSEVIC

Mr. D'AMATO. Mr. President, I rise today to call for the coordinated action of the United States, the European Community, and NATO to become involved in what is long overdue: concerted action to stop Slobodan Milosevic from his plan of territorial expansion and genocide for all non-Serbs of Croatia, Bosnia, and Kosovo.

We have seen his work, and it is appalling. And the world stands by almost indifferently wringing its hands while his forces cut down civilians as they stand in line for food. They shell humanitarian aid trucks and they bomb churches. Serbian forces have shown utter disregard for human life and care only to expand the aim of a greater serbia at the expense of the lives of non-Serbs. They even round up non-Serbian residents of cities like Dobrinja and take them away to camps. Just like Adolf Hitler and Saddam Hussein before him, the Butcher of Belgrade must be stopped. The United States, in coordination with the European Community and NATO, must act to put a halt to Milosevic's war against the innocent Bosnians. My colleague, Senator DOLE, support a four-point program to stop the slaughter in Croatia, Bosnia, and Kosovo. I fully support him in this necessary and just effort. It is the only way to stop the killing.

The plan is very similar to that adopted to protect the Kurds from the onslaught of Saddam Hussein. Just as that killer recklessly pursued innocent men, women, and children, Milosevic has done the same. As in Iraq, the plan involves the protection of the civilian population from Serbian forces. It also involves the delivery of all aid and supplies necessary to stop Serbian aggression.

First, the use of NATO forces is long overdue. People are being slaughtered. Peace must be re-established in Bosnia and war must be prevented from spreading to Kosova. Serbian artillerymen sit in the hills above Sarajevo and fire at the civilian population of the city. If need be, air strikes must be carried out to suppress this shelling and allow the people to live in peace. The slaughter must be stopped.

Second, a force must be created to establish air cover for the people of Bosnia. Just as with the Kurds in northern Iraq, the people of Bosnia, Croatia, and even Kosova are right now left wide open to attack from Serbian jets. Air cover must be supplied and air traffic must be monitored to deny the Serbian jets the ability to bomb cities and towns. Milosevic must understand that if his planes take off they will be presumed to be hostile and they will be shot down.

Third, a total economic embargo must be put in place against Serbia and Serbian-controlled territory, allowing nothing in except for humanitarian aid. It must be enforced from both the land and sea. There must be coordination with the surrounding nations of Italy, Austria, Hungary, Romania, Bulgaria, and Greece to implement the embargo. As with Iraq, nothing but humanitarian aid must be allowed into Serbia until Milosevic withdraws his forces back to Serbia.

Finally, the United States, either overtly or covertly, must supply all necessary equipment to the people of Bosnia, Croatia, and Kosova through the port of Trieste, Italy, the closest NATO port, or any other available ports of entry. They must be supplied with all that is necessary to stop Serbian aggression. The killing must end now.

The people of Bosnia must be protected. They must be saved from the onslaught of a dictator committing nothing short of genocide.

Further, Serbian aggression must also be avoided. As I warned 2 weeks ago on the Senate floor, Milosevic's next target is Kosova. He must not be allowed to carry his war of expansion into this beleaguered land.

If we fail to stop the killing now, we will be providing a death sentence for all the non-Serbs of the former Yugoslavia. Milosevic is out of control and he must be stopped. Only through joint United States, European Community, and NATO action can the violence be ended and Milosevic put back in his box.

Mr. President, there is no oil in Bosnia, Croatia, and Kosovo, and it may be that the world powers only act when they see their own economic interests, being disadvantaged. There is something more important than oil, though. There are millions of people whose lives are being threatened. Today one million people have been made homeless or refugees. Tens of thousands, on a daily basis, face bombardment and starvation. Too many others have been killed for no other reason than their ethnic background, or their religion, whether they be Muslims or Catholics.

I have to tell you it is an outrage that it has taken this Nation a year to bring about sanctions against Serbia for its actions against Croatia, Bosnia, Slovenia, and Kosovo. We ought to be ashamed of ourselves. Where is the moral leadership for standing up for what is right? I heard the Deputy Under Secretary of State say Milosevic fooled him. Moreover, why is the peace process in Yugoslavia strictly a European matter? How can we wash our hands of this?

Finally, we have broken diplomatic relations with this killer, a thug, a hard-core Communist. We should have cut off economic aid to what was formerly Yugoslavia and Milosevic a year ago and sent him a clear message. Just like when I came down to the Senate floor in May 1990 and questioned why we were giving aid to Saddam Hussein, you would have thought that I was attacking Mother Teresa. Everybody raced to the floor to take me on: "Oh, we should not stop aid to him," they said. What were we doing providing that killer with economic aid while he was using poison gas against innocent women and children. Now we want to investigate exactly what Iraq got from us.

Let me ask why we stand by now and wring our hands as we watch the pictures of the horrible slaughter of the innocent? We should be ashamed of ourselves. Why do we have NATO? Why do we have tens of thousands of troops there? Why do we not bring together our allies and say, my gosh, we have to provide air cover to insure that his planes do not attack innocent civilians in the cities of Bosnia, Croatia, and Kosovo.

Let us see to it that if we have to knock out his tanks and artillery, with NATO forces, we do it. Let us stand for the human dignity and freedom of the innocent people of Bosnia, Croatia, and Kosovo. Do we only need to have oil and economic interests in a particular land, or can we stand up for what is right? Do we have the courage to do the right thing, not because it is politically popular or do we need a war to bail ourselves out of trouble. There are people who are being slaughtered and as a nation act as if we do not give a damn. That is our problem.

I have to tell you, this is a tragic situation that we have allowed to unfold before us, and we cannot claim that we did not know. There are those who say we allowed the genocide of the Jews to take place because we did not know. Are we going to stand here and say that we do not know now that the innocents are being slaughtered today; that people who seek nothing more than food are being gunned down; that we have ethnic purification taking place—where people being segregated and sent to camps on the basis of what their religion is? This is incredible. We sit by as if nothing is taking place.

I have to tell you, I thought that we had a purpose and a reason for having a strong presence in NATO. And, yes, that it was for our protection, but also for standing up for the rights and the dignity of people throughout this world. I think the people of America care and I would like to see some leadership in this regard. I think it is long overdue. We must stand up for the rights of those who are being oppressed.

I hope we can begin to act now, rather than later. It is already too late for many. But there are many others who desperately need our help.

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. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BINGAMAN). Without objection, it is so ordered.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The Senate continued with the consideration of the bill.

(At the request of Mr. RIEGLE, the following statement was ordered printed in the RECORD.)

• Mr. SANFORD. Mr. President, I rise today in support on the Federal Housing Enterprises Regulator Reform Act of 1992. This is a solid piece of legislation. We have worked on this bill for quite some time, and I am pleased that we were able to craft a feasible compromise that will truly overhaul the regulatory structure of Fannie Mae and Freddie Mac.

Fannie Mae and Freddie Mac have played a major role in expanding the supply of mortgage credit. Overall, I have been very pleased with the manner in which these two housing-related Government-sponsored enterprise [GSE] have operated, however, the $900 billion these two GSE's liabilities hold does pose potential financial risk to the taxpayers.

I am particularly pleased with the sound and responsible financial standards contained in this bill. By including capital requirements which require GSE's to maintain capital not only to address the current financial condition of GSE's, but also the potential financial condition of GSE's in periods of adverse economic conditions.

In addition, I am pleased that this legislation includes needed incentives to clarify and ensure that Fannie Mae and Freddie Mac meet the housing missions that are so clearly defined in their charters. It is important that they meet the housing finance needs of low- and moderate-income residents.

This is a strong bill which I am pleased to support. It is my hope that the Senate will move quickly on this important legislation so that it can soon become law.•

AMENDMENT NO. 2445 TO AMENDMENT NO. 2437

(Purpose: To authorize a number of studies of the Comprehensive Environmental Response, Compensation and Liability Act of 1980)

Mr. DOMENICI. Mr. President, I send an amendment to the desk on behalf of myself, Senators MITCHELL, and MURKOWSKI, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself, Mr. MITCHELL, and MURKOWSKI, proposes an amendment numbered 2445 to amendment No. 2437.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the manager's amendment, insert the following new section:

"SEC. . STUDIES ON THE EFFECTIVENESS OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT.

"(a)(1) The Administrator of the United States Environmental Protection Agency shall provide to the Senate Environment and Public Works Committee and the House Energy and Commerce Committee by December 31, 1992, a detailed report which provides information on each of the sites contained on the National Priorities List established under the Comprehensive Environmental Response Compensation and Liability Act. Such report shall be updated periodically as new information becomes available and shall, at a minimum, include the following information about each site:

"(A) Site name, number, state and total number of operable units;

"(B) Whether a removal action has occurred, and if so, whether it was fund-financed or PRP-financed;

"(C) Date proposed for CERCLIS investigation, preliminary assessment completed, site investigation completed, HRS completed, proposed for the National Priorities List; current stage in process; time-frame taken for (i) site investigation, (ii) remedial investigation, (iii) risk assessment, (iv) feasibility study, (v) record of decision, (vi) remedial design and (vii) other such significant actions identified by the Administrator; and whether long-term operation and maintenance is necessary;

"(D) Whether remedial action is underway, when it was commenced, and whether it has been completed and if so, when, and if not, when expected to be completed;

"(E) Number and names to the extent the President deems appropriate of PRP's at site, whether PRP is bankrupt or in bankruptcy proceedings and classification of each PRP as:

"(i) owner/operator;

"(ii) transporter;

"(iii) person that arranged for disposal or treatment;

"(iv) municipality;

"(v) state agency;

"(vi) lender or State or Federal lending agency; or

"(vii) Federal agency;

"(viii) any other entity; and

"(ix) that portion of the site that cannot be attributed to any potentially responsible party including dollar amount and volumetric share.

"(F) Site classification;

"(G) Whether the facility is still in operation;

"(H) Number of Records of Decision to be issued;

"(I) Description of elements of removal and/or remedial action.

"(J) Total actual dollar amount, both Fund and PRP costs, for (i) site study and investigation, (ii) transaction costs, (iii) initial removal or remedial action, (iv) operation and maintenance, and estimated cumulative and continuing costs for the final remedial action the agency is seeking or has been agreed to by settlement;

"(K) Whether there has been a settlement agreement, and if so, (i) percent of PRP's who settled, (ii) percent of costs covered, (iii) percent of settled costs for each PRP, compared to the percent of volume and of toxicity of waste for which each was responsible, (iv) percent of cost recovery achieved through de minimis settlements and the number of PRP's in that group, (v) the percent of costs paid for by the Fund, based on a mixed-funding determination, and (vi) the amount of money spent by the Fund, a State or by PRP's for RI/FS/ROD; RD/RA; and operation and maintenance.

"(L) Dollar amount of Remedial Investigation/Feasibility Study (RI/FS) settlement, compared to the total cost of (RI/FS);

"(M) Dollar amount of remedial action settlement, compared to the total cost of remedial action;

"(N) Description of settlement and enforcement activities;

"(O) Number of third party contribution actions that have been filed, including, but not limited to, actions to bring additional PRP's into cost-recovery and litigation involving insurance coverage; and

"(P) Identification and description of each site which has been cleaned up and removed from the National Priorities List.

"(2) The Administrator shall establish and maintain in a computer data base the information contained in the Report required under paragraph (1). The Administrator shall make these data accessible by computer telecommunication and other means to any person on a cost-reimbursable basis.

"(b) The General Accounting Office shall undertake a comprehensive review of relevant governmental and other studies assessing the effectiveness of such Act, and shall provide to the Congress by July 1, 1993, a Report in which an objective evaluation of each study is provided. Such report shall be updated every six months, as appropriate, to provide the Congress with an evaluation of any additional studies that have been issued.

"(c)(1) No later than September 30, 1993, the Administrator of EPA, and in consultation with ATSDR, the National Academy of Sciences and the National Academy of Engineering, shall provide a report to the Congress which examines a statistically significant number of sites listed on the National Priorities List, which in no event shall be less than 40 sites. Such report shall discuss with respect to each site the present or future risks, based on actual exposure data or estimates, to human health and the environment presented by the site.

"(2) The report shall examine methods to (A) ensure that costs and effectiveness of remedial measures adopted for individual sites are reasonably appropriate to the risks presented by such sites; and (B) utilize the information identified in paragraph (1) in order to determine appropriate remedial action at individual sites.

"(3) The report shall examine the uses of each of the sites after a removal action or other interim action or a remedial action or any other response has been completed, taking into consideration the implications of Land use policy at such sites and the effect of post-clean-up liability on future uses.

"(4) The Administrator of the United States Environmental Protection Agency shall provide a reasonable opportunity for written comments on the report prior to its submission to the Congress. Such comments shall be included in the report as part of the submission to the Congress.".

The PRESIDING OFFICER. The Chair advises that the amendment is not in order at this time.

Mr. DOMENICI. I understand.

Mr. President, I ask unanimous consent that the previous Domenici-Dole amendment that was pending be set aside temporarily for the purpose of considering this amendment, after which we return to the previous amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I explained this amendment in some detail earlier in the afternoon. Since that time, a few changes have been made. They are more or less technical in nature. That has brought some bipartisan support.

Mr. President, this provision amends the Superfund law. It is this Senator's belief that this is the Superfund amendment that should be part of this bill—not the amendment offered by the Senator from New Jersey and voted on by this body yesterday.

My amendment is quite simple, despite its length. It mandates a number of studies to be done on the Superfund Program over the next 15 months in order to gather relevant information prior to a comprehensive reauthorization.

The amendment has three parts.

First, the Administrator of the EPA by December 31, 1992, is charged with compiling a host of information on sites on the National Priorities List [NPL] and centralizing this information into a computer base. The purpose of doing this is to ensure that any analyses done on the program all pull from the same base of information. Much of this information has already been developed by the agency, some has not. But I do believe that the task can be completed by the end of the year, as mandated by this provision.

Second, the amendment charges the General Accounting Office with the task of reviewing all relevant governmental and other studies that have been performed to assess the act and by July 1, 1993, provide a report to the Congress, evaluating each study. The purpose of this provision is to have an impartial analysis of every relevant study in order to assist the Congress when we begin the reauthorization process. It is my understanding that the GAO has considerable expertise on the Superfund law and is an appropriate agency to perform such a review.

Third, the amendment requires that the Administrator of the Agency for Toxic Substances and Disease Registry [ATSDR]—with the concurrence of EPA and in consultation with the National Academy of Sciences and the National Academy of Engineering—prepare a report to the Congress which examines a statistically significant number of sites on the NPL with respect to present and future risks based on actual exposure data or estimates to human health and the environment presented by each site.

Based on that data, the report would look at the costs of remedial measures based on the risks posed and the viable uses of sites after remediation has been completed, taking into account the implications of land use policy and the effect of post-clean-up liability. ATSDR and EPA would be required to provide a reasonable opportunity for written comments on the report prior to its submission to the Congress.

Mr. President, I think yesterday's debate focused this body on the fact that there are serious problems with the Superfund Program. I am not prepared to tell you what the solution is to these problems.

But I am prepared to tell you that we should not be adopting substantive amendments at this time. Instead, the Congress should be actively seeking the information that will be needed for us to make informed, reasonable decisions on the future of this program when we begin the reauthorization process next year.

I urge my colleagues to carefully consider what is the best and most responsible approach that should be taken.

Might I say to the majority leader, I want to get right off this and back to the status that we had before my request. But I am told that Senator CHAFEE wants to look at this amendment. He is the ranking Republican on the committee. I would like to put in a quorum call while I seek concurrence from the Senator.

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. DOMENICI. 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. 2445, AS MODIFIED, TO AMENDMENT NO. 2437

Mr. DOMENICI. Mr. President, I send to the desk a modified amendment and ask that it be immediately considered.

The PRESIDING OFFICER. The Senator has that right.

The amendment is so modified.

The amendment (No. 2445), as modified, is as follows:

At the appropriate place in the manager's amendment, insert the following new section:

SEC. . STUDIES ON THE EFFECTIVENESS OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT.

"(a)(1) The Administrator of United States Environmental Protection Agency shall provide to the Congress by December 31, 1992, a detailed report which provides information on each of the sites contained on the National Priorities List established under the Comprehensive Environmental Response, Compensation and Liability Act. Such report shall be updated periodically as new information becomes available and shall, at a minimum, include the following information about each site:

"(A) Site name, number, state and total number of operable units;

"(B) Whether a removal action has occurred, and if so, whether it was fund-financed or PRP-financed;

"(C) Date proposed for CERCLIS investigation, preliminary assessment completed, site investigation completed, HRS completed, proposed for the National Priorities List; current stage in process; time-frame taken for (i) site investigation, (ii) remedial investigation, (iii) risk assessment, (iv) feasibility study, (v) record of decision, (vi) remedial

design and (vii) other such significant actions identified by the Administrator; and whether long-term operation and maintenance is necessary;

"(D) Whether remedial action is underway, when it was commenced, and whether it has been completed and if so, when, and if not, when expected to be completed;

"(E) Number and names to the extent the President deems appropriate of PRP's at site, whether PRP is bankrupt or in bankruptcy proceedings and classification of each PRP as:

"(i) owner/operator;

"(ii) transporter;

"(iii) person that arranged for disposal or treatment;

"(iv) municipality;

"(v) state agency;

"(vi) lender or State or Federal lending agency; or

"(vii) Federal agency;

"(viii) any other entity and

"(ix) that portion of the site that cannot be attributed to any potentially responsible party. Including the dollar amount and volumetric share.

"(F) Site classification;

"(G) Whether the facility is still in operation;

"(H) Number of Records of Decision to be issued;

"(I) Description of elements of removal and/or remedial action.

"(J) Total actual dollar amount, both Fund and PRP costs, for (i) site study and investigation, (ii) transaction costs, (iii) initial removal or remedial action, (iv) operation and maintenance, and estimated cumulative and continuing costs for the final remedial action the agency is seeking or has been agreed to by settlement;

"(K) Whether there has been a settlement agreement, and if so, (i) percent of PRP's who settled, (ii) percent of costs covered, (iii) percent of settled costs for each PRP, compared to the percent of volume, and of toxicity of waste for which each was responsible, (iv) percent of cost recovery achieved through de minimis settlements and the number of PRP's in that group, (v) the percent of costs paid for by the Fund, based on a mixed-funding determination, and (vi) the amount of money spent by the Fund, a State or by PRP's for RI/FS/ROD; RD/RA; and operation and maintenance.

"(L) Dollar amount of Remedial Investigation/Feasibility Study (RI/FS) settlement, compared to the total cost of (RI/FS);

"(M) Dollar amount of remedial action settlement, compared to the total cost of remedial action;

"(N) Description of settlement and enforcement activities;

"(O) Number of third party contribution actions that have been filed, including, but not limited to, actions to bring additional PRP's into cost-recovery and litigation involving insurance coverage; and

"(P) Identification and description of each site which has been cleaned up and removed from the National Priorities List.

"(2) The Administrator shall establish and maintain in a computer data base the information contained in the Report required under paragraph (1). The Administrator shall make these data accessible by computer telecommunication and other means to any person on a cost-reimbursable basis.

"(3) In submitting the report the Administrator shall include a summary of the costs including preparing the report.

"(b) The General Accounting Office shall undertake a comprehensive review of relevant governmental and other studies assessing the effectiveness of such Act, and shall provide to the Congress by July 1, 1993, a report in which an objective evaluation of each study is provided. Such report shall be updated every six months, as appropriate, to provide the Congress with an evaluation of any additional studies that have been issued.

"(c)(1) No later than September 30, 1993, the Administrator of EPA, and in consultation with ATSDR, the National Academy of Sciences and the National Academy of Engineering, shall provide a report to the Congress which examines a statistically significant number of sites listed on the National Priorities List, which in no event shall be less than 40 sites. Such report shall discuss with respect to each site the present or future risks, based on actual exposure data or estimates, to human health and the environment presented by the site.

"(2) The report shall examine methods to (A) ensure that costs and effectiveness of remedial measures adopted for individual sites are reasonably appropriate to the risks presented by such sites; and (B) utilize the information identified in paragraph (1) in order to determine appropriate remedial action at individual sites.

"(3) The report shall examine the uses of each of the sites after a removal action or other interim action or a remedial action or any other response has been completed, taking into consideration the implications of land use policy at such sites and the effect of post-clean-up liability on future uses.

"(4) The Administrator of the United States Environmental Protection Agency shall provide a reasonable opportunity for written comments on the report prior to its submission to the Congress. Such comments shall be included in the report as part of the submission to the Congress.".

Mr. DOMENICI. Mr. President, I think I have completed my discussion of this amendment, other than to note that this amendment now adds one item. It does charge the Environmental Protection Agency with an estimate of this study's cost which Senator CHAFEE thought was a good idea. Otherwise, it is exactly as I heretofore described it.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. RIEGLE. Mr. President, let me say we are prepared as managers of the amendment to accept the amendment with the modification.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment, as modified.

The amendment (No. 2445), as modified, was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I shall suggest the absence of a quorum.

Mr. RIEGLE. Mr. President, before the Senator does, if I may say, it is our understanding now that we have finished work on the managers' amendment. If so, what I would like to try to do is to be able to act upon the managers' amendment. That leaves the bill itself open to amendment for any other purposes anybody wants to offer, but I think we have wrapped up the substantive items that relate to that.

Mr. DOMENICI. Mr. President, might I say to my friend from Michigan, we are close to that. What we are waiting for is the majority leader and me to enter into an agreement with reference to a debate on the amendment that I have offered and we will take care of that in a moment and then we will be finished.

Mr. RIEGLE. Very good.

Mr. DOMENICI. But for now I think we will have a quorum call.

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. COATS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. MITCHELL. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue to call the roll.

The assistant legislative clerk continued with the call of the roll.

Mr. COATS. 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. COATS. Mr. President, I ask unanimous consent to speak as if morning business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PRAYER AT GRADUATION

Mr. COATS. Mr. President, it is deeply disappointing that the Supreme Court has forbidden the mention of God in public school graduations. They have chosen to continue on a path that threatens religious expression, and denies our history.

When the Supreme Court decided its landmark school prayer case in 1963, Abington versus Schempp, two dissenting Justices warned that "Unilateral devotion to the concept of neutrality can lead to * * * not simply noninterference and noninvolvement with the religious which the constitution demands, but a brooding and pervasive devotion to the secular and a passive, or even active, hostility to the religious."

No phrase could more accurately capture the decision handed down today—"A brooding and pervasive devotion to the secular." It denies the central role of religion in our public life. And it further reinterprets the separation of church and State to forbid the accommodation of religion in our society.

This ruling says, in essence, that our children must be carefully protected by government from even hearing the

name of God at a public ceremony. But this simply cannot be justified from the facts of our heritage. Religion was intended to play an important part in America's public life—not to favor any sect, but to affirm our traditions and beliefs, and to assert the source of all our liberties. America has a history of religious accommodation, not secular hostility, from our beginnings to our recent past.

George Washington said in his Farewell Address:

> Of all the dispositions and habits that lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these firmest props of the duties of men and citizens.

Justice William O. Douglas, the great libertarian, writing in 1952 in Zorach versus Clauson, argued:

> We are a religious people whose institutions presuppose a supreme being. When the State * * * cooperates with religious authorities, it follows the best in our traditions. To hold that it may not, would be to find in the Constitution a requirement that the government show a callous indifference to religious groups. That would be preferring those who believe in no religion over those who believe.

Religion is not just part of the practice of our Nation, it is part of the theory of our founding. When public institutions are systematically stripped of religious influence and symbols we deny our history. When we accept a rigid separation between church and state, both, in Russell Kirk's words, "Rot separately, in separate tombs."

When all reference to religion is omitted from our public life, we have declared off-limits the expression of people's deepest motivations and highest beliefs. An appeal to any authority is permitted, except this one. G.K. Chesterton described this as "a taboo of tact or convention, whereby we are free to say that a man does this or that because of his nationality, or his profession, or his place or residence, or his hobby, but not because of his creed about the very cosmos in which he lives."

Columnist Joseph Sobran makes the point:

> The prevailing notion is that the state should be neutral as to religious, and furthermore, that the best way to be neutral is to avoid all mention of it. By this sort of logic, nudism is the best compromise among different styles of dress. This version of pluralism amounts to theological nudism.

We do not serve our children by shielding them from the mention of God in a public ceremony—covering their ears like secular Victorians, fearful of corruption. There is a difference between religious indoctrination, and the simple acknowledgement of the Creator. The Court seems to have lost the ability to make that distinction.

No one benefits from a naked public square—a public life scrubbed of the sacred. Religious people lose important rights, we are disconnected from our history, and our Nation is ultimately impoverished.

Mr. President, I yield the floor and I note that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The Senate continued with the consideration of the bill.

IN SUPPORT OF THE DODD AMENDMENT TO ELIMINATE ABUSES IN PARTNERSHIP "ROLLUPS"

Ms. MIKULSKI. Mr. President, I want to speak today in support of Senator DODD'S legislation to curb abuses in investments called partnership rollups. I was one of the first cosponsors of this bill, and I am glad to see that the great majority of the Senate has come to realize the urgent need for this legislation.

A limited partnership rollup does not mean a lot to most Americans. But some people in Maryland know what it is—and they found out the hard way. They saw their hard-earned savings disappear so that a couple go-go boys could make large fees. And these fees were paid despite the fact that Marylanders and thousands of American investors were losing millions of dollars in savings.

One Marylander came into my office to tell me her story. She is a widow who invested her husband's life insurance settlement in a way she thought was safe and conservative. And, after a couple years of a pretty good investment, she heard that her managers wanted to try something new—a rollup.

She had heard about rollups—that they cost investors 70 percent of their investments on average. She did not want her investment rolled-up, but there was not much she could do about it. Old rules and regulations prevented her from getting in touch with other investors, and prevented her from pulling her money out, even if she did not want to change her investment! Instead, she was faced with risking her savings and financial security because some hot-shot partners and lawyers wanted to risk her and other limited partners' money.

It is wrong to stand by and let dishonest managers cheat good-faith investors because of loopholes in the law, and it's time to do something about it. That is why I am glad to see Senator DODD'S bill come up before the Senate. And why I am glad to cast my vote to get this passed and put into law very soon.

This amendment takes some important and overdue steps to give investors their rights back. It allows for more communication among investors, and allows them to organize to protect their investments. It also makes very important changes to equalize the power balance so that every investor has a fair say in what is done with their money.

Americans need this legislation, and I commend Senator DODD for leading the charge to get it passed. I am proud to join him and cast my vote for fairness to investors.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senator DOMENICI's amendment be withdrawn;

That the Senate then proceed to vote immediately without any intervening action or debate on the Riegle-Garn amendment No. 2437;

That upon disposition of that managers' amendment, Senator DOMENICI be recognized to offer an amendment on which there be 30 minutes for debate, the first 10 minutes and the last 10 minutes of which be under the control of Senator DOMENICI, the middle 10 minutes of which be under the control of Senator SASSER;

At the conclusion of that debate or the yielding back of time, Senator DOMENICI will withdraw his amendment;

That once that amendment is withdrawn, Senator SASSER be recognized to offer an amendment, on which there be 30 minutes of debate, the first 10 minutes of which and the last 10 minutes of which be under Senator SASSER's control, and the middle 10 minutes of which be under Senator DOMENICI's control; at the conclusion of that debate or the yielding back of time, Senator SASSER will withdraw his amendment;

That upon the withdrawal of the Sasser amendment, Senator NICKLES be recognized to offer is substitute amendment on the balanced budget constitutional amendment;

That immediately after it is offered, Senator BYRD be recognized to offer two amendments to Senator NICKLES' amendment.

That no further amendments or motions be in order for the remainder of the day, and when the Senate resumes consideration of the bill tomorrow, Senator NICKLES be recognized to speak for up to 2 hours.

At the conclusion or yielding back of his time, Senator BYRD be recognized to speak.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I would like now to announce to the Senate an understanding that I believe is fair and which has been agreed to by the Republican leader with respect to the order in which the Senate will consider the balanced budget amendment

and amendments thereto. I hope that all Senators will work within the terms of this understanding. The understanding is as follows:

Pursuant to the unanimous-consent agreement just approved, Senator NICKLES will offer a substitute amendment. Senator BYRD will then offer the next two amendments, in order, to the Nickles substitute.

At a time tomorrow to be agreed on by the majority leader and the Republican leader, Senator DOLE will be recognized to offer a perfecting amendment to the Nickles substitute.

After a reasonable time to review that amendment, and at a time mutually agreed upon by the two leaders, Senator BYRD will be recognized to offer an amendment to Senator DOLE's perfecting amendment. That would then fill up the right side of the so-called amendment tree.

After a reasonable time to review this amendment, and at a time mutually agreed upon by the two leaders, Senator DOLE will be recognized to offer a perfecting amendment to the text proposed to be stricken by the Nickles amendment. After a reasonable time to review this amendment, and at a time mutually agreed upon by the two leaders, Senator BYRD will be recognized to offer an amendment to Senator DOLE's amendment. This would fill up both sides of the amendment tree, and thus the amendment process, except for the available motion to recommit, and amendments thereto, which are not addressed by this understanding.

Although this understanding does not address a motion to recommit, I have requested and received from Senator DOLE his assurance that if a Republican Senator intends to make a motion to recommit, I will be notified in advance so that I will then be able to exercise my right under the rules to offer the two available amendments to that motion to recommit. I have given Senator DOLE my assurance that if a Democratic Senator intends to make a motion to recommit, Senator DOLE will be notified in advance.

Since a formal consent agreement could not now be agreed upon, we are proceeding under this informal understanding. However, Senator DOLE and I hope and expect that Senators on both sides of the aisle will honor this understanding.

Mr. President, I invite the comment of Senator DOLE to affirm the accuracy of what I said, or if it is not accurate to so state.

Mr. DOLE. The majority leader is correct. I wonder if we might modify it where it reads "Senator NICKLES," could it be "or his designee," or "Senator DOLE or his designee" be recognized, and that would not necessitate my being on the floor all that time?

Otherwise, according to the understanding we have had with reference to motions to recommit, the majority leader is correct. If there is any motion to recommit on this side, I assume we would notify him in advance, and if that slips through, we would put in an immediate quorum call after the motion to recommit is sent to the desk, and you could preserve your right, without being on the floor every minute. The same would be true, as the Republican leader, I would not have the same right of recognition as the majority leader.

Mr. MITCHELL. I have no objection to the modification stated by Senator DOLE.

The PRESIDING OFFICER. Without objection——

Mr. EXON. Reserving the right to object, I would like to make an inquiry.

As I understand the unanimous-consent agreement proposed by the majority leader, it provides for a sense-of-the-Senate matter to be introduced by someone from that side of the aisle, critical of or questioning the national economic plan announced by Governor Clinton, a candidate for President of the United States; and following that, there will be a half-hour for someone on this side of the aisle, the majority leader or someone else, to make some sense-of-the-Senate resolution regarding the economic plan of the President of the United States, and then both of those amendments of sense-of-the-Senate resolutions would be withdrawn; is that correct?

Mr. MITCHELL. That is correct.

Mr. EXON. Well, I shall not object, Mr. Leader, but it seems to me that going through these kinds of exercises and shams is further evidence of what this Senator has been talking about and complaining about for the last several days now, with regard to the fact that, among other things, we seem to work overtime around here making the U.S. Senate something more than I think most of us would like it to be, and that is a serious discussion and debate of the issues that confront the country.

So I shall not object, because at least the only constructive thing that I view for the amendment offered by that side of the aisle, which is critical, as I understand it, of Governor Clinton, and one on our side of the aisle, which is critical of the President, is more and more of an exercise in partisan politics that has this organization bound up to the place that it is almost beginning to be unworkable, if not unbearable.

The only good thing about it is that, for whatever reason that I am not sure I fully understand, there has been an agreement to limit the ceilings, and I suspect from that standpoint we are beginning to make some progress, even though it is, in my opinion, thinly disguised.

So I shall not formally object to the unanimous-consent request, but I do strenuously object to the lack of progress on the many matters that face this Nation. I yield the floor.

The PRESIDING OFFICER. The previous order is modified, as requested by the Senator from Kansas.

The majority leader is recognized.

Mr. MITCHELL. Mr. President, I would like to respond to my colleague and explain the circumstances which led to the propounding of this agreement. Earlier today, Senator DOMENICI offered an amendment which deals with the national economic strategy proposal. He has a right to offer the amendment under the rules of the Senate.

I asked him to withdraw the amendment and to permit us to proceed to the consideration of the balanced budget amendment. He indicated that he still wished to proceed with the amendment.

I advised him that if he proceeded with that amendment, obviously, there would have to be counteramendment on this side to permit the case to be made from both sides. I would be very happy if both amendments were withdrawn without any debate; but a Senator has a right to offer an amendment and has a right to debate the amendment.

Senator DOMENICI has that right. Therefore, I then requested, in view of his statement that he insisted on going forward, as is his right, that we agree to an orderly consideration of it and limiting the time in the fashion so described. I believe I have accurately recounted my conversations with the distinguished Senator from New Mexico.

I will be glad to yield to the Senator from Tennessee, if he wishes, or to the Republican leader.

Mr. DOLE. Can I ask one nonrelated question? In the event that tomorrow we should receive from the House some legislation dealing with the work stoppage and the railroads, would it be the majority leader's intention to interrupt whatever we are doing to take care of that matter?

Mr. MITCHELL. Yes. But, obviously, I would consult with the distinguished Republican leader and the chairmen of the relevant Senate committees before making any decision in that regard, as is my usual practice.

Mr. DOLE. I would hope that my colleagues on this side and the other side, if they are in the midst of a big debate on this issue, would have an understanding that if in fact there was an agreement to take up legislation, that they would let us do that.

Mr. MITCHELL. I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am delighted the Senator from Nebraska has not left the floor, because I would like to explain my version. I have the greatest respect for the Senator. We serve on the Budget Committee. I think he knows what we want to do.

Frankly, Mr. President, I do not think the Senator from New Mexico

when he offered this proposal this afternoon was being silly. I regret that appears to the Senator that is the case. I actually believe in all honesty having read so much about this magnificent plan, I thought we ought to take a look at it. Frankly, we did.

So we put down his basic component and we thought we ought to ask the Senate of the United States today to look at it. I found myself in the position, because of the parliamentary processes here even though I have the right to offer the amendment, clearly my amendment was not going to be voted on for a long time, if ever.

I would like the Senator to know that is the case. I did not plan it this way. The rights are to fill the other tree. The trees are going to be filled and I was going to be left waiting.

I offered it in good faith. I am going to talk about it in good faith. I think there are things we ought to discuss. I intend to do that expeditiously and, in the meantime, the time was used to rearrange the debate that would have occurred on the balanced constitutional amendment so that everybody would not have to do those procedural things but they would be agreeing to them in advance. That is what took the additional time.

To the extent that is a burden on the Senator from Nebraska, I apologize. But, frankly, by the time I am finished with my 20 minutes this evening, I hope the Senate will at least concur that the Senator from New Mexico was serious and felt that while we were debating a constitutional amendment to balance the budget of the United States that an approach by a serious candidate claiming to be an economic revival plan that will get us the balanced budget, someday, that idea served an opportunity to present it.

That is all I am going to do, and I am only going to take 20 minutes and 10 minutes in rebuttal of theirs. That is the extent of time I will use.

I thank the Senator for listening.

Mr. MITCHELL. Mr. President, I yield to the Senator from Tennessee.

Mr. SASSER. I thank the Senator for yielding.

Frankly, I agree with what my distinguished friend from Nebraska has said here on the floor this evening. Here we are wasting time in the Senate this evening discussing in a partisan way the economic plan advanced by Governor Clinton, and tit for tat, we on our side will then discuss the economic program or lack of economic program of the President's budget.

All this comes on top of an exercise advanced by some on the other side of the aisle calling for a constitutional amendment to balance the budget that everyone knows is dead as a doornail for this year. So we are simply engaging in the same type of empty rhetoric, the same type of transparent partisanship that has so turned the American people off with both parties.

As a matter of fact, someone said in jest earlier this evening we ought to be debating Mr. Perot's economic plan. Of course, we do not know that it is. He has not offered it. I do not anticipate that he will offer one.

But it would make just as much sense, I think, to be debating his economic program or lack thereof than the ritual we will be going through this evening and beginning tomorrow, going on day after day after day, on this whole question of balancing the Federal budget by constitutional amendment, something that will not become a reality this year, something we all know, something the principal sponsor, Senator SIMON, acknowledged when the balanced budget initiative was defeated on the House floor.

But we will continue on down this track and just see what develops. What will develop is, as my friend from Nebraska has pointed out, a continued erosion of confidence in the leadership of the country, because we are not seriously addressing the issues that are important to the American people.

Mr. MITCHELL. Mr. President, I thank my colleagues.

Mr. President, has the agreement been approved?

The PRESIDING OFFICER. The agreement has been approved.

Mr. SEYMOUR addressed the Chair.

Mr. MITCHELL. Mr. President, I will now announce that there will be no further votes this evening.

Mr. President, I would like to get the agreement—obviously, we are in the debate, so I would like to get the agreement going so that the time that is used now will come off the time that is in the debate.

Mr. SEYMOUR. It is my understanding that section 515 of the bill prohibits the Director from disclosing to the public information provided by the enterprises that the Director determines to be proprietary. What types of information does this legislation contemplate would be treated as proprietary?

Mr. GARN. As a general matter, courts have construed various types of business information to be proprietary if it might cause competitive or financial harm to the company.

While the legislation contemplates that the Director will determine what information is proprietary consistent with current legal precedents applicable to other companies, section 515 is intended to protect especially information relating to pricing and fees. If one of the enterprises learned of the other's pricing and fee strategy, it would create an extraordinary competitive disadvantage.

Maintaining competition between Fannie Mae and Freddie Mac is essential because there are only two GSE's involved in mortgage finance. Congress created two GSE's expressly for the purpose of ensuring competition. This competition has resulted in lowering prices and enhancing efficiency to the housing finance market, which ultimately benefits homeowners and renters.

Mr. SEYMOUR. So, if I understand the Senator correctly, section 515 should ensure that information on pricing, fees and other key aspects of business strategy will be considered proprietary and therefore protected from disclosure to the public.

Mr. GARN. That is correct. By including this provision in the legislation, it was intended that the Director protect from public disclosure a broad range of information that might impair competition between these two GSE's.

Mr. D'AMATO. Under section 102 of the legislation, it is the primary duty of the Director to ensure that the enterprises are adequately capitalized and operating safely. Section 103 authorizes the Director to issue regulations concerning the financial health and security of the enterprises. What authority is provided to the Director under this legislation to enable the Director to carry out his responsibilities under these two provisions?

Mr. GARN. Titles II and III of this bill provide a comprehensive regulatory framework to ensure that the enterprises are adequately capitalized and operating safely. Title II sets forth specific capital standards designed to ensure that the enterprises are adequately capitalized. Specifically, section 202 sets forth the minimum capital level for each enterprise, which is fixed in the legislation. Section 201 requires the Director to establish, by regulation, risk-based capital standards in accordance with various assumptions and parameters relating to interest rate and credit risk. Under the legislation, enterprises that meet both the minimum and risk-based capital standards are adequately capitalized. In addition, title II provides the Director with a range of discretionary supervisory actions that can be taken to remedy a decline in capital below the levels set in the legislation.

Title III of the bill provides the Director with a complete set of enforcement powers necessary to ensure that the enterprises are operating safely. Title III authorizes the Director to take various enforcement actions, including the issuance of cease and desist orders and the imposition of civil money penalties.

The legislation contemplates that the express capital requirements and supervisory tools provided to the Director will be sufficient to ensure that the enterprises are adequately capitalized and operating safely. Of course, we fully expect the Director to promptly notify Congress of any additional regulatory authority that may become necessary to carry out the duties of the Director under the act.

Mr. D'AMATO. If I understand the Senator correctly, section 102 requiring

the Director to ensure that the enterprises are adequately capitalized and operating safely does not provide some broad grant of authority apart from the express authorities granted under the bill. Am I therefore correct in concluding that if, for example, the Director determined that the minimum capital standards specified in the legislation were not sufficient to ensure the health and security of the enterprises, the Director would be required to recommend that the legislation be modified to change these capital standards?

Mr. GARN. That is correct. The legislation reflects the judgment of the Congress that minimum capital standards specified in the legislation along with the risk-based capital standards to be promulgated by the Director by regulation are sufficient to ensure that the enterprises are adequately capitalized. The Director is not authorized to change these standards in the absence of a change in the legislation.

Mr. D'AMATO. I noted that section 103 was amended on the floor as part of the managers' amendment to permit the Director to issue regulations concerning the financial health and security of the enterprises, including the establishment of capital standards. What was the effect of this amendment?

Mr. GARN. This was a technical amendment to the legislation intended to clarify that the Director had the exclusive authority to issue those regulations required by the act relating to the health and security of the enterprises. The amendment made clear that regulations relating to health and security included the capital standards. For example, under the minimum capital standards the Director is required to determine the amount of capital that the enterprises must maintain relating to certain off-balance-sheet obligations not otherwise expressly addressed in the minimum capital standard. Prior to the technical amendment, the legislation only mentioned the Director's authority to issue regulations under the risk-based capital standards. The amendment made clear that the Director has authority to issue required regulations with respect to the minimum capital standards as well. However, the amendment does not authorize the Director to issue any regulations to establish capital standards other than as expressly provided in the legislation.

Mr. D'AMATO. I thank the Senator from Utah for that clarification.

Mr. DOMENICI. Could the Senator from California have a minute?

The PRESIDING OFFICER. Under the previous order, amendment No. 2444 is withdrawn and the question occurs on the managers' amendment No. 2437, as previously amended.

The amendment (No. 2444) was withdrawn.

The amendment (No. 2437), as amended, was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote.

Mr. SARBANES. 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 New Mexico is recognized.

Mr. DOMENICI. Mr. President, I thought the majority leader was going to ask for a minute for the Senator from California who was seeking recognition before we got on to this. It is not on my amendment. He wanted to speak and he was seeking recognition.

Mr. MITCHELL. Mr. President, I ask unanimous consent that, notwithstanding the previous order, the Senator from California be recognized to address the Senate for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SEYMOUR. I thank the distinguished Senator.

Mr. President, I had asked to be recognized because I wanted to object to the unanimous-consent agreement. I wanted the opportunity to respond to the distinguished Senator from Tennessee and the Senator from Nebraska relative to their comments about this debate over a balanced budget amendment and their belief that this debate is a waste of time.

I want to set the record straight, Mr. President, and remind my colleagues that this debate, pertaining to a balanced budget amendment, and the desire to vote on this measure began last Tuesday. And it began in earnest, because it was important business to the American people. And, therefore, an important matter to be taken up by the U.S. Senate.

We all know, and even I know the short time I have been here, who runs this place. It is the majority party that occupies the opposite side of the aisle. And the truth of the matter is they just do not want a vote on this measure. So if they are frustrated by the fact that the debate is alive, and considered silly by the Senator from Nebraska, then so be it. All we want is to bring it up for a vote, but we know from the unanimous-consent agreement that, in fact, we will probably not even get that vote.

So I think we ought to be consistent, and not hyprocritical, and realize why this important measure will not be considered.

Mr. MITCHELL. Mr. President, I ask unanimous consent for 1 minute to respond to that.

Mr. SARBANES. Absolutely.

Mr. MITCHELL. Mr. President, time after time after time in this Senate, the Senator from California has joined other Senators in preventing the Senate from voting on legislation which a majority of the Senate favors—comprehensive crime legislation being the most recent example.

Is there any sense of fairness in the Senator from California exercising his rights under the rule to prevent votes from occurring on important issues time after time after time and then suggesting as he just has that there is something wrong with other Senators who use the same rules for the same purpose and the same effect? It is a suggestion of a double standard the Senator from California wants to use the rules when they operate to his favor, but then wants to deny to other Senators the right to the same rules when it is not to his favor. And the rules will apply to all Senators in the same way.

Just as the Senator from California has been able to join with a minority of Senators in preventing the Senate from voting on comprehensive crime legislation, which a majority of the Senate favors, which has passed the House, so also Senators can exercise the same rules on other issues. The rules apply to everyone, the same rules apply the same way to everyone.

Mr. SEYMOUR. Will the majority yield?

Mr. MITCHELL. Certainly.

Mr. SEYMOUR. With all due respect, I do not find any fault whatsoever with the application of the rules. What I was speaking to is the admonishment from the Senators from Tennessee and Nebraska that we are wasting our time. I was merely speaking that the application of the rules, with all due respect, the majority leader is in charge. He determines the rules. He sets the agenda. We can only react to that. If, in fact, we would have had this out of the way with all due respect, we would have had this out of the way last week in probably 1 day, had we been able to merely debate the constitutional amendment to balance the budget and bring it to a simple vote.

Mr. MITCHELL. Mr. President, of all the comments I have heard on the Senate floor, this does not make any sense, the statement that I, the majority leader, make the rules, takes the cake.

Mr. SARBANES. Sure does.

Mr. MITCHELL. I do not make the rules. I assure the Senator if I did make the rules, the Senate would operate in a much different fashion than it has.

And, secondly, I point out again the same rules have been used by the Senator from California to prevent a vote on the crime bill. Why will not the Senator from California join us in permitting the vote on the comprehensive crime bill that he has worked so hard to delay and to prevent the vote on?

Mr. SEYMOUR. That is because it is not the same crime bill we in fact voted on.

Mr. MITCHELL. I see. Now it is a different bill.

Mr. SEYMOUR. Indeed, it is.

Mr. MITCHELL. I yielded the minute out of courtesy, but I just wanted to set the record straight.

I would like to let Senator DOMENICI get going with his debate.

Mr. SARBANES. Will the majority leader yield for a question?

Mr. MITCHELL. Yes.

Mr. SARBANES. Is the comprehensive crime bill to which the majority leader referred the one that contained significant financial assistance for the Nation's police forces in order to enable them to address the crime problem across the country?

Mr. MITCHELL. Yes, it is.

Mr. SARBANES. It is the very one that police departments all across America are supporting?

Mr. MITCHELL. The police departments all across America are supporting it, yes.

Mr. DOMENICI. Will the majority leader yield on that point?

Mr. MITCHELL. I yield to the Senator.

Mr. DOMENICI. Someone on that side of the aisle has made the point on this crime bill that they are providing money for law enforcement people, policemen who walk the beats of America. That is an absolute joke. Whatever billions of dollars are in there, it is authorized, not appropriated. And you do not even need a new authorization because we have not even put the money in for law enforcement that is already authorized.

The last time I raised this point, the distinguished chairman, Senator BIDEN, sat down and did not even answer me because that is true. So the good Senator from Maryland does not have to make that point tonight. They cannot say they are for law enforcement and the President is not, when they cut his law enforcement budget by $171 million this year. They gave him less than he asked for.

Mr. MITCHELL. Mr. President, we will give the Senator from Delaware [Mr. BIDEN] a chance to respond.

Mr. DOMENICI. That is fine. I will give him some of my time.

Mr. MITCHELL. I would like to ask that this agreement now begin and let the debate commence.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair. I just want to say in jest to the majority leader that when he suggested that he did not make the rules, some of us—we did not say it very loud—but some of us were saying we are very pleased that you do not.

Mr. MITCHELL. You might inform the Senator from California.

Mr. DOMENICI. He merely meant that you interpret the rules. That is really what he meant.

AMENDMENT NO. 2446

Mr. DOMENICI. Mr. President, pursuant to the order, I send an amendment to the desk for myself, Senator DOLE, Senator SEYMOUR, and Senator NICKLES; and, while I am asking for its immediate consideration, it is understood that we will follow the unanimous-consent agreement.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself, Mr. DOLE, Mr. SEYMOUR, and Mr. NICKLES, proposes an amendment numbered 2446.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. . NATIONAL ECONOMIC STRATEGY.

(a) It is the sense of the Congress that legislation should not be enacted that would:

(1) increase taxes on the American people and on small and large businesses over 4 years by a minimum of $150 billion;

(2) increase taxes by an additional $10 billion on all businesses both small and large by imposing a 1.5-percent tax on their payroll for undefined training and education programs;

(3) increase spending for various and sundry domestic programs over the next four years by over $190 billion for loosely defined programs to "put America to work" and increase "lifetime learning";

(4) increase Federal spending by nearly $200 billion for health care programs and impose another $100 billion in taxes on employers to partially pay for this spending;

(5) provide for a child tax credit or a middle-income tax cut that would add another $45 billion to the deficit over the next four years or further increase taxes on businesses and other individuals;

(6) increase the Federal deficit and not achieve a balanced budget in this century;

(7) terminate only one Federal program (the honey price support program);

(8) reduce mandatory spending by less than one-half of one percent over the next four years;

(9) reduce defense obligational authority by $90 billion more than currently planned and in addition to the $220 billion of reductions already planned; and

(10) violate the 1990 Budget Enforcement Act provisions setting aggregate spending caps on discretionary programs and pay-as-you-go provisions for entitlement and revenue programs.

Mr. DOMENICI. Mr. President, I yield myself 5 minutes of my time and ask that the time clerk advise me through the Chair when I have used that.

Mr. President, I would not be here today offering this amendment on behalf of myself and the distinguished minority leader and others if Governor Clinton, the Democratic nominee for President of the United States, had not made such a big thing about having an economic game plan to rescue and save America, and if he had not indicated that the Congress of the United States, when he was President, would pass that plan in 100 days.

Now, Mr. President, I just wanted the U.S. Senate to know, since we must say one good thing about this plan, Governor Clinton and his advisers at least put forth a plan. So let us put that up and give him a very big star as we do to our good students. He submitted a written plan. But, beyond that, any indication that this plan is going to balance the budget of the United States, that it is going to provide for economic growth and vitality, is indeed a people-oriented budget, is absolutely a sham.

Now, for starters, let me suggest it is not a coincidence, Mr. President, and fellow Senators, that this plan covers only 4 years. Guess why it is 4 years? Because if you look at the current fiscal policy of the Nation you will find that those are the very best 4 years for the deficits of the United States, believe it or not. If he did not submit any plan for recovery, this budget would come down of its own under current policy to a low in 1996 to about $200 million. We are currently at about $350 billion, so he can right off the bat claim that he has cut the budget. The truth of the matter is, not one penny would get cut.

Now, having said that, there is nothing in any law that says you should get a 4-year budget. In fact, the law requires 5-year budgets. And if he would have just submitted a budget covering the fifth year, he would have to show the deficit going back up in the fifth year and then up some more in the sixth year and up some more in the seventh year. So it was selective so he could make it look like he really did something, when most of the reduction was automatic, occurring because we are no longer bailing out the S&L's and because an economic recovery was occurring. Point No. 1.

Second point: Let us read from the resolution that I sent to the desk. Does anyone believe that raising taxes $150 billion on businesses, large and small, and on the American people is going to cause this economy to grow and prosper? And it does not matter how much he says he is only going to get the top 2 percent of the taxpayers. It is now understood that those are small businessmen, sole proprietorships, subchapter S corporations, and they put all of their business profits in taxes. So you will be cutting the very people you want to add vitality to the American economy. Point No. 2.

Point No. 3: $10 billion on business, small and large, by way of a 1.5-percent payroll tax for some kind of training and education program. That is $160 billion in taxes. And then, lo and behold, as best as I can read it, there is $190 billion in loosely defined new programs to "put America back to work"—$190 billion in new programs.

Now, some of these programs are good. WIC is increased. Head Start is increased. But there is $190 billion new spending in 4 years. In the first year, it exceeds $50 billion in new expenditures that will be added to the deficit.

Fourth, I looked at it as diligently as I could with reference to health care

reform. If I read it right, the health care reform program is one of those that is saying pay or play. If I understand it correctly, without any details, that is a $200 billion health care program and it would impose $100 billion in new taxes, and nothing in this budget as to where you would pick up the difference.

Fifth, a child tax credit or middle-income tax credit. It is diminished some over the previous declaration, but that is $45 billion in reduced taxes——

Mr. President, I ask unanimous consent for an additional 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Forty-five billion dollars and nobody pays for it. No pay-as-you-go. Just $45 billion in tax cuts.

Actually, the Federal budget deficit is increased over 5 years and there is nothing in it that even gets you close to a balanced budget into the next century.

Then we find the real, real tough stuff in this budget. The only program I can find that is terminated is the good old honey price support program. He found that. It is terminated. It is the only one I find.

He reduces the mandatory expenditures, the non-Social Security entitlement programs, just get this, Mr. President, only one-half of 1 percent, $4.4 billion over 4 years, out of the entitlements and mandatory programs and he is going to fix our budget deficit problem. Absolutely incredible.

That alone sends this budget deficit plan, this economic recovery plan, into the ash heap of dead on arrival. Since every time one of the President's came up, it was dead on arrival, I thought that I would let everybody in this institution vote on whether this was dead on arrival even before it was ever presented. And I believe, if we would have a vote, it would be dead on arrival, because I do not believe the Democratic Senators would vote for this plan as the economic recovery plan of this Nation. All it really reduces is defense, and $90 billion out of defense.

Then I might close these opening remarks by saying there is a big asterisk. Senators will remember the asterisk of 1981. This one has one for unspecified administrative cuts, work force reduction, line-item veto of pork barrel projects—that is $10 billion—Federal agency energy conservation, freeze consultants, university projects, a big asterisk, takes care of the savings.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. DOMENICI. Mr. President, I yield myself 1 additional minute.

Now, Mr. President, I truly intended not to make this a game. We have already voted on the President's budget. We have a new budget that the Congress put in place. But if they would like to talk about it, they are welcome.

The truth of the matter is this would have been an opportunity to have a real debate about an economic game plan that will not work, that truly is as deceptive as it could be. Yet, it is being pronounced and announced as the great economic savior plan.

How much time do I have on my first 10 minutes?

The PRESIDING OFFICER. The Senator has 2½ minutes remaining.

Mr. DOMENICI. Was that 2½ or 3½?

The PRESIDING OFFICER. The Senator has 2½ minutes.

Mr. DOMENICI. I yield the 2½ minutes to the Senator from California.

Mr. SEYMOUR. Mr. President, I commend the distinguished Senator from New Mexico for taking the mask off the largest tax increase that the American taxpayers will have seen in this century. What we have here is a proposal to raise $150 billion in taxes, spend $75 billion of that—that is half of it—and then claim savings for the remaining half. When will we ever learn that by raising taxes, you cannot create jobs?

We are going to be debating soon a constitutional amendment to balance the budget. What does this plan do to balance the budget? It does not even try. It does not even pretend to suggest we are going to have a balanced budget. As a matter of fact, after 4 years of "want to be elected President Clinton," what we will have is a deficit of somewhere between $75 and $141 billion.

So one more time we have a Democratic tax-and-spend proposal. Business really has not changed. They really have not gotten the message.

Mr. President, I yield the remainder of my time.

Mr. DOMENICI. I yield the remainder of my time to Senator DOLE.

The PRESIDING OFFICER (Mr. BRYAN). The Republican leader.

Mr. DOLE. I will wait for the next time. But it is my understanding the majority leader would have no objection if, at this moment, Senator SEYMOUR sends up the Nickles amendments, and then Senator BYRD is recognized.

The PRESIDING OFFICER. Without objection, the Senator from California is recognized.

AMENDMENT NO. 2447

(Purpose: To propose an amendment to the Constitution of the United States to require that the budget of the United States be in balance unless three-fifths of the whole of each House of Congress shall provide by law for a specific excess of outlays over receipts and to require that any bill to increase revenues must be approve by a majority of the whole number of each House)

Mr. SEYMOUR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mr. SEYMOUR], for Mr. NICKLES, for himself and Mr. SEYMOUR, proposes an amendment numbered 2447.

Mr. SEYMOUR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. BYRD. Mr. President, I object. It is a very short amendment. Let him read it.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"'ARTICLE —

"'SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"'SECTION 2. The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"'SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

"'SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"'SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"'SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"'SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principle.

"'SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is later.'".

Several Senators addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia is recognized.

Mr. SEYMOUR. Mr. President, will the distinguished Senator from West Virginia yield to add a cosponsor?

Mr. BYRD. Yes; I will yield.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized.

Mr. SEYMOUR. Mr. President, I ask unanimous consent——

Mr. BYRD. No, I am recognized. I yield to him.

Mr. SEYMOUR. I thank the Senator for yielding.

Mr. President, I ask unanimous consent to add Senator PHIL GRAMM from Texas as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from West Virginia.

AMENDMENT NO. 2448 TO AMENDMENT NO. 2447

(Purpose: To require the President to submit by September 2, 1992, a 5-year plan to balance the budget not later than September 30, 1998)

Mr. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 2448 to amendment No. 2447.

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. FINDINGS.

The Senate finds that—

(1) the President's 1993 budget estimates that the deficit for fiscal year 1992 will be $449,125,000,000;

(2) the national debt as of June 18, 1992 was $3,835,251,000,000;

(3) it is estimated in the President's budget supplement for fiscal year 1993 that the national debt subject to the statutory limit will be—

(A) $4,513,229,000,000 for fiscal year 1993;

(B) $4,856,863,000,000 for fiscal year 1994;

(C) $5,201,542,000,000 for fiscal year 1995;

(D) $5,549,928,000,000 for fiscal year 1996; and

(E) $5,917,713,000,000 for fiscal year 1997;

(4) no President since 1980 has submitted a balanced budget for the budget year to Congress; and

(5) the President and the Congress must agree upon a plan to balance the budget in order to decrease the debt burden on current and future generations and provide a long-term sound economic structure for future generations.

SEC. 2. BALANCED BUDGET PLAN.

(a) PRESIDENT'S PLAN.—The President shall submit not later than September 2, 1992, a 5-year deficit reduction plan, using the economic and technical assumptions contained in the President's 1993 budget, to balance the budget by September 30, 1998.

(b) ELEMENTS OF PLAN.—The plan shall consist of—

(1) reductions in discretionary spending including domestic, defense, and international spending;

(2) reductions in, and controls on, entitlement and other mandatory spending; and

(3) increases in revenues.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, does the order provide for the Senator from West Virginia to amend his own amendment without asking for the yeas and nays on the amendment first?

The PRESIDING OFFICER. The Senator is correct. That is in effect by unanimous consent.

AMENDMENT NO. 2449 TO AMENDMENT 2448

Mr. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 2449 to Amendment No. 2448.

Mr. BYRD. Mr. President, it is a rather lengthy amendment. I ask unanimous consent that the 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. Under the regular order, the Senator from New Mexico has 1 minute left of the original 10 minutes allocated to him. The Senator from Tennessee [Mr. SASSER] has the following 10 minutes; the 10 minutes thereafter, constituting 30 minutes, allocated and returned to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wonder if Senator SASSER would object if I use 2 minutes off of my final 10 minutes and give that to Senator DOLE along with the minute I have.

Mr. SASSER. I have no objection.

The PRESIDING OFFICER. Without objection, the order will be modified as requested.

Mr. DOMENICI. The Senator gets 3 minutes and I have 8 in rebuttal.

The PRESIDING OFFICER. That is correct.

Mr. DOLE. Mr. President, there is no question about it, there is a recognition now that growth is the key to lower budget deficits and a healthy American economy. I certainly share the views expressed by the distinguished Senator from New Mexico [Mr. DOMENICI] that economic growth can help us reduce the deficit, but I think, as we get into this debate, that the old, worn-out tax-and-spend policies are not going to increase economic growth.

Some may call this putting people first, but the American people know this plan puts taxes first and economic growth last. One thing we do not need—and I notice it was repeated in the amendment just sent to the desk—is increased revenues. I do not know people demanding higher taxes, higher payroll taxes or higher corporate taxes. Enough is enough. The American people are demanding paychecks, not higher taxes. They know as well as any of us, increasing taxes results in more spending and bigger deficits. Some folks will tell you they are gong after the rich, the super rich, the fat cats on Wall Street, but we went through that debate when we passed the luxury tax, which we are now trying to repeal. You end up hitting the guy on Main Street: workers, employers, small business men, and small business women.

Almost any economist will tell you that our country's deficit is one of the biggest drags on our economy. In fact, those same economists would tell you that nothing would spark economic growth like a balanced budget. But, slashing the deficit is going to take discipline, hard decisions, tough votes and not empty promises. We need the discipline to bite the bullet on new spending, the discipline to take a good, hard look at entitlement programs, and, most importantly, the discipline to resist hitting up the American public for yet another tax increase.

It seems to me that Congress is going to have to bear some responsibility. We cannot make vague promises about health care costs—as made in the so-called Clinton plan—without at least identifying some costs. You cannot support expensive white elephant defense projects while promising to cut pork barrel spending. You cannot put people back to work by slapping more mandates on business men and women across America.

So it seems to me there is only so long you can continue saying, "Bill me later," especially when the bills are going to go to someone else: Our children, our grandchildren, and future generations.

I think the Senator from New Mexico has shown that the Clinton plan, is full of holes. It is going to cost a lot of money. There is not much reduction in spending, but big increases in taxes.

I think this is a worthwhile debate. The Members of the Senate should know in advance there is going to be a lot of debate about this. In fact, this is only a kickoff of what I hope is a debate, not only on the Clinton plan, but the Perot plan, the Bush plan, and all the plans, so that the American people will have a better understanding of what may lie ahead in the decade.

The PRESIDING OFFICER. The Chair informs the Republican leader that the 3 minutes allocated has expired.

Under the previous order, the Senator from Tennessee is recognized for 10 minutes.

Mr. SASSER. I thank the Chair, and I ask the distinguished occupant of the chair to advise me when I have utilized 5 minutes.

Mr. President, it has not escaped the attention of this Senator that this afternoon, at the Office of Management and Budget, the Director of that office summoned the press into his presence and began the same type of criticism of the Clinton economic program that we are hearing on the floor this evening.

It is my view that this is a coordinated political effort to discredit the only economic package that has been offered by the three candidates running for President. At least my good friend from New Mexico does give Governor Clinton credit for having offered a package. That is more than we can say for the President of the United States at this juncture and certainly more than we can say for the other candidate. But I think we clearly see what the strategy will be in this campaign, and that is what this exercise on the floor of the U.S. Senate is all about this evening.

I had occasion to watch a television program a Sunday or two ago that is hosted by one of the most eminent Washington correspondents, Mr. Bob Schieffer, of CBS News, and he is now hosting a program called Face the Nation, and, I might say, he does an outstanding job with it.

On this particular morning, Mr. Schieffer had on that program the Chairman of the Republican National Committee, Mr. Rich Bond. And, also, he had on that program Mr. Charles Black, a Republican political consultant, who is a leading person in President Bush's reelection campaign.

I was struck by the fact that for almost 30 minutes, all you heard out of either of these two individuals were critical, destructive statements leveled against both Governor Clinton and the other candidate, Mr. Ross Perot. At no time did we hear on that program any offering of a positive platform or positive program for the country that was to be offered by the President of the United States.

So I think what we are seeing here is the opening gun, perhaps, on the floor of the U.S. Senate in a campaign which will be characterized principally by criticism, by negative comment, and with little or no positive proposals on the part of the present occupant of the White House.

Once again, we are back with the old song: "They want to raise your taxes." That seems to be the battle cry of every campaign, and we might even in this one get into the question once again of "read my lips." I think we all remember that one: "Read my lips." Maybe we will recycle that one for the campaign of 1992 from the campaign of 1988 on the part of the present occupant of the White House.

What kind of taxes or revenues are being proposed by Governor Clinton? One, he proposes to increase taxes on millionaires, the so-called millionaires tax that passed this body and passed the House of Representatives and was vetoed by the President of the United States.

Let me show you, if I may, Mr. President, and share with my colleagues, the tax policy of the Reagan-Bush years and why there needs to be some redressment of the tax inequities that were built into their tax policy. I am indebted to my distinguished friend from Maryland, the chairman of the Joint Economic Committee, for sharing this particular chart with me. You will note that from 1980 to 1989, during the Reagan-Bush years, that pretax income for upper income groups rose from $300,000 to $560,000. But look at the Federal, total Federal taxes that same group was paying during that period of time. The amount of taxes they paid remained constant while their income was going up dramatically. Their pretax income went up 78 percent. Their Federal taxes were up 34 percent. Their after tax income up 102 percent.

Mr. SARBANES. Will the Senator yield on that point?

Mr. SASSER. I will be pleased to yield to my friend on that point.

Mr. SARBANES. Mr. President, there is a very important point that needs to be made here because the other side of the aisle is constantly asserting that the rich are paying more taxes, the very wealthy. This is the top 1 percent in income.

Mr. President, I want to say right at the outset that that is correct. As this chart shows, for the top 1 percent, their total Federal taxes rose from $112,000 to $150,000 between 1977 and 1989. But, Mr. President, their income rose by a much greater degree. In other words, they are paying somewhat more taxes but they have gotten much, much, much more income.

Now, the logical extreme of this is if one person had all the income and paid all the taxes—and that is the direction in which we are moving in this country—their income rose from $315,000 to $560,000, an increase of $245,000, their taxes rose by $38,000, and the balance was an increase in after-tax income.

So people say, oh, well, the very wealthy are paying more in taxes. Yes, they are. But the reason they are doing it is because they are getting so much more in income, and in fact their income growth at 78 percent is more than double their tax growth. So their after-tax income has doubled, and that is what has taken place over the decade of the 1980's.

Mr. SASSER. I thank the Senator from Maryland for his comments.

Just let me share this chart with my distinguished friend from Maryland and other colleagues.

In 1981, the Reagan-Bush administration proposed a massive tax cut to trigger the so-called supply side theory, or supply side economic program.

Look at what has happened in the years since then. Between 1982 and 1989, the total revenue loss was $1.4 trillion. Between 1982 and 1991, $2 trillion in revenues had been lost as a result of that tax cut.

Mr. President, when you lay that tax cut down side by side with the massive increases in defense spending during the same period, then you see why the Federal debt has tripled under the stewardship, or lack of stewardship of Mr. Reagan and Mr. Bush over the past 12 years.

Mr. SARBANES. Will the Senator yield.

Mr. SASSER. I am pleased to yield to my friend from Maryland.

Mr. SARBANES. Mr. President, first of all, I want to make the point that Governor Clinton's proposal called for very significant curtailment of spending. The tax proposals he called for were an increase of taxes on the very wealthy, the top 2 percent, and the closing of certain corporate tax loopholes, including corporate deductions limiting them at $1 million for chief executive officers, ending the incentives for opening plants overseas——

The PRESIDING OFFICER. The Chair will inform the Senator from Maryland——

Mr. SARBANES. And tax avoidance by foreign corporations.

The PRESIDING OFFICER. The time has expired.

Mr. SARBANES. I thank the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico is recognized for 8 minutes.

Mr. DOMENICI. Mr. President, I yield myself 4 minutes.

Mr. President, first I want to talk just for a minute on the President's budget. They indicate that it has not been submitted. Actually, if you look at the President's next 4 years, I just want to remind the Senate that the President in this document reduces the actual spending of the Federal Government, the deficit reduction, including his mandatory cap and other items, $16, $44, $77, $106 billion, for a total of $243 billion in deficit reductions. And that is already provided for in detail.

I would submit that the Governor of Arkansas submitted his plan. It is about yea thick. I repeat, it had one program cut, and that was the honey bee subsidy program.

We will talk about the President's budget later, but I want to talk about the Clinton proposal.

Let me go through it again. First, everyone should understand that if we did nothing, the Federal deficit that he is operating off of would come down dramatically from where it is to $200 billion in the fourth year of the next President. So if you did nothing to reducing the deficit, the point of it is, it starts up again dramatically and reaches $500 and $600 billion a few years thereafter. So we picked the 4 best years.

Second, no matter how you coat it, $150 billion in new taxes. No matter how you color it, there is an increase in domestic spending of $190 billion. No matter how you cut it, the big reductions are in defense spending, $90 billion more than the $220 billion proposed by the President—more than anyone, except two Democratic Senators, has dared recommend with reference to cutting defense.

Overall, you add another $1 trillion to the deficit. And in the process there is some claim that magically you are entitled to the good old rosy economic scenario.

So in addition to having a big asterisk, and I just described that one, with a whole bunch of cuts that you just cannot understand, the rosy scenario is added. Somehow or another, when you elect this man President, the economy is going to start to grow and you get five-tenths of a percent more growth than the CBO or OMB. And obviously,

if you are fortunate enough to get that and get it right off the bat, you will reduce the deficit substantially without cutting anything.

So when you add it all up, I came to the floor today intending to provide the Senate and, to the extent possible, the American people and, to the extent possible, Governor Clinton and his advisers an opportunity to tell it like it is. This is no budget reduction or budget deficit plan. It is a plan to spend more money and, albeit for good causes, to raise taxes, to create some incentives that are supposed to cause everything to work and to reduce defense dramatically and when you are finished with that you somehow or another have this people-oriented budget.

Now, I want to close with one last rebuttal on the charts which we have seen so many times. Let me suggest, who would not take today the American economy of 1983, or 1984, or 1985, or 1986, or 1987. The truth is you can put up all those charts you want about the Reagan years, what happened to taxes. We did not redistribute the wealth. We did not set about like they always do, saying let us take from the rich and give it to somebody else. We cut taxes across the board and, believe it or not, 20 million new jobs, a $1.6 trillion increase in the gross national product. We grew by the size of West Germany. Frankly, I think the Americans would welcome that kind of era back any day, any time.

This Clinton budget will not come close to producing the kind of prosperity that existed in that time. Little by little, in the ensuing months, we will talk about all the other negative claims of that era, most of which are untrue, and for the most part, the economics of that era were positive for the American people. We will have a chance to talk about that later.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. DOMENICI. I wonder if they might let me add to my 10 minutes at the end because I am missing a Senator who wants to speak. If you do not care to, I will use my time up now. I wanted to add 3 minutes to the 10 minutes of rebuttal. It will give you 3 if you would like it.

Mr. SASSER. Does the Senator want to add 3 minutes to the end?

Mr. DOMENICI. I would like to tack it onto the next 10 minutes that I have. So the next 10 minutes would be 13, so I could yield part of it to another Senator.

Mr. SASSER. That is satisfactory.

Mr. DOMENICI. I yield back the time now.

Mr. SARBANES. And take 3 minutes additional in the next debate?

Mr. DOMENICI. I do not have any objection. The other side is getting 3 minutes more than we are, but that is all right.

The PRESIDING OFFICER. Without objection, it is the Chair's understanding that the Senator from New Mexico reserved 3 additional minutes for the next series of debates related to the amendment to be offered, and that the Senator from Tennessee [Mr. SASSER] will have an additional 3 minutes time heretofore allocated to him.

Mr. DOMENICI. Mr. President, the Senator has arrived. I withdraw my request, and yield 3 minutes to the Senator from Texas.

Mr. GRAMM. Mr. President, some might think it is a tall order to describe Bill Clinton's economic program in 3 minutes but it is an easy task.

Bill Clinton committed to the Nation's mayors $220 billion worth of new spending over the next 5 years. If you take that commitment and add it to the built-in growth in the Federal budget that he would face if he becomes President, there are two things you can say about his program.

First, under the commitments he has made, the first year of a Clinton Presidency will witness the largest dollar increase in Federal spending in American history.

Second, the program he outlined to raise taxes would not only be the largest tax increase in the history of the Nation, but 67 percent of that tax increase would fall not on John Vanderbilt Du Pont, but it would fall on Joe Brown and Son, hardware store, I repeat, 67 percent of his proposed tax increases would fall not on rich people, but on small independent businesses and family farms, many of whom use subchapter S of the IRS Code to allow them to file taxes as an individual.

So you can sum it all up very simply as this: We are used to tax-and-spend Democrats, but Clinton has broken the mold. He promises to spend more in a shorter period of time than any President in America history has ever spent, and he promises to tax more in a shorter period of time than any President in American history has ever promised.

So if we want more taxes and more spending at a level unprecedented in the history of the country, Bill Clinton has told us that he is the one for the job.

I do not want the largest increase in Federal spending in American history in 1993. I do not want the largest tax increase in American history in 1993. I especially do not want tax increases that fall on small independent businesses and family farmers—67 cents out of every dollar Bill Clinton would take would be from small independent businesses and family farmers.

I am against those things. I think the American people are against them. This is an interesting program, not terribly well developed. But I think when people understand it, Bill Clinton is not going to be elected President of the United States.

I reserve the remainder of my time.

The PRESIDING OFFICER. The time allocated to the Senator from New Mexico has expired, and the Senator is recognized for the purpose of withdrawing his amendment.

Mr. DOMENICI. I withdraw the amendment as previously agreed to.

The amendment (No. 2446) was withdrawn.

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee is recognized for the purpose of offering an amendment, and the Chair understands the time constraints previously agreed to. The Senator from Tennessee is recognized for 10 minutes, and the Senator from New Mexico is recognized, and the Senator from Tennessee is recognized for rebuttal.

AMENDMENT NO. 2450

Mr. SASSER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee, [Mr. SASSER] proposes an amendment numbered 2450.

At the appropriate place insert the following:

"SEC. . PRESIDENT'S BUDGET.

"(a) It is the sense of the Congress that the Bush budget should not be enacted as it:

"(1) fails to invest in human or physical infrastructure which is critical to increased productivity and economic growth;

"(2) offers no plan to deal with health care costs or access;

"(3) allows the national debt to increase to $5.918 trillion by 1997;

"(4) leaves a budget deficit of $303.6 billion by 1997;

"(5) proposes a revenue hemorrhaging capital gains tax cut for the same wealthy Americans who benefited from the misguided policies of the 1980's;

"(6) reduces defense spending by only $26 billion from 1992 through 1997 and spends a total of $1.4 trillion over the next five years, despite the collapse of the Soviet Union;

"(7) offers no plan for converting our defense industry and personnel to a civilian economy;

"(8) cuts medical care to the elderly and raises the hospital insurance tax, for a total of $22 billion in savings; and

"(9) relies on a dubious accounting gimmick to claim $38 billion in false savings.".

Mr. SASSER. Mr. President, it is stated in our sense-of-the-Senate resolution—I ask the distinguished Presiding Officer to advise me when I have 5 minutes remaining—that the budget offered this year by President Bush frankly proposes virtually nothing to get this economy moving again.

As a direct result it leaves the on-budget deficit at some $300 billion even by fiscal year 1997.

My friend from New Mexico was talking a moment ago about the great performance of the 1980's, the Reagan years. I would be willing to go back to the Reagan years. Anything is better than the economic stagnation that this Nation has experienced over the last 3½ years under the economic programs and domestic programs of the Bush administration.

Let me give my colleagues an example of what I am talking about. This administration, the Bush administration, has had the worst economic record of any administration since the Second World War; indeed, the worst economic record of any administration since that of Herbert Hoover.

Let us just look at the economic growth records of Presidents beginning with Harry Truman, following the Second World War. Let us look at the average annual real per capita GNP growth, or growth in the gross national product divided by the number of people. That growth in GNP divided by the population is what gives you an idea of the increase in the standard of living of our people.

The highest growth period occurred during the administration of Lyndon Johnson, 3.4 percent; next was President John Fitzgerald Kennedy, 3.3 percent; next was Harry Truman, 2 percent; Ronald Reagan came in at 1.8 percent; Jimmy Carter and Richard Nixon both at 1.6 percent; Gerald Ford at less than 1 percent, seven-tenths of 1 percent; President Eisenhower's 8 years came in with very slight economic growth, two-tenths of 1 percent; and look at George Herbert Bush. There is an actual decline in real GNP growth during the 4 years of his administration of three-tenths of 1 percent. That is the first time that has happened in any administration since that of Herbert Hoover.

So no wonder this President's favorable rating in the polls is sagging and going through the floor, the lowest of any incumbent President in recent memory.

We have also seen an explosion in the Federal deficit during the years that President Bush and his administration have been in office. We see no hope in the future on the horizon under the proposals, budgetary proposals, being offered, and the economic proposals, or lack thereof, of this administration. We see no hope in the future that this terrible, lackluster economic record is going to be reversed.

Mr. President, there are a number of Senators on the floor, and I do not wish to take up an undue amount of time.

I see my friend from Maryland here and also the distinguished Senator from Iowa. I would be pleased to yield to the distinguished Senator from Maryland 3 minutes at this time.

The PRESIDING OFFICER. The Senator from Maryland is recognized for 3 minutes.

Mr. SARBANES. Mr. President, I thank you very much, and I thank the chairman of the Budget Committee.

This is a very important chart, because it shows that under President Bush is the only time in the entire post-World War II period that an average annual real per capita GNP growth has been negative. That has not happened with any other President, from Truman through Reagan. But it has been negative under Bush. It really underscores the point about the President's sensitivity and understanding of the economy.

On June 4 of this year, the President held a nationally televised press conference in the evening. In the course of that press conference, he said, "I think about the economy." He was responding to questions that 70 percent of the American people thought the economy was getting worse. The President said, "I think it is getting better. I think the economy is improving." This was on Thursday evening.

On Friday morning, the next morning, the Bureau of Labor Statistics reported the monthly unemployment figure, and it went to 7½ percent, the monthly unemployment figure. The night before, the President is saying: well, 70 percent of the American people think the economy is getting worse, but I know it is getting better.

The next morning we get a figure, and it has jumped to 7½ percent. That is the highest monthly unemployment figure in this recession—the highest.

This recession started in June 1990, 2 years ago. The unemployment figure was 5.3 percent, and it has risen over this period of time and is now up at 7.5 percent. The long-term unemployed, people unemployed 27 weeks or longer, has risen from 600,000 people to almost 2 million.

Yet, the President is now threatening to veto an extension of the unemployment insurance bill. He is threatening a veto. He vetoed it last fall. This is what is happening to long-term unemployed, people out of work for 27 weeks or longer. It has risen now to almost 2 million people. Yet, the President holds this press conference the day before, the evening before these figures are announced, and tells the American people that the economy is getting better.

Whatever criticism you may make about Governor Clinton's economic program, the fact is that he is concerned about this unemployment problem, and he wants to put the American people to work, and jobs are at the center of this proposal.

We have all this screaming and moaning on the other side and, of course, they want to portray it in a certain way and paint it in a certain light. They are screaming about the taxes on the top 2 percent of the population. Do not let corporations take deductions for paying more than a million dollars in salary to the chief executive officer.

And the incentives in the Tax Code for opening plants overseas prevent tax avoidance by foreign corporations. What is the basis of protecting that sort of thing? Tax avoidance by foreign corporations; incentives to open plants overseas; take deductions for paying over $1 million to the CEO's; protect the top 2 percent of the income population, who have gotten such a disproportionate benefit through the 1980's.

Of course, there has been a redistribution of wealth. There has been a redistribution of wealth to the very top of the income scale. And the middle-income and working people are the ones who have paid the price.

But the biggest price they are paying is a President who tells us the economy is getting better, when the unemployment rate has now gone to the highest level in the course of this recession, at 7½ percent; when the long-term unemployed has risen from 600,000 to almost 2 million people.

The PRESIDING OFFICER. The Chair informs the Senator that the time allocated has expired.

Under the previous order, the Senator from New Mexico is recognized for a period of 10 minutes.

Mr. DOMENICI. I yield 4 minutes to the Senator from Texas.

Mr. GRAMM. I want to make two points, Mr. President.

First of all, our dear colleagues on the left, who are criticizing the President and praising Governor Clinton, are really praising a proposal by Governor Clinton to put Americans to work by increasing Government spending by $220 billion and by raising taxes, so that the Government can become a more dominant force in the American economy.

Our colleagues on the left here must feel very much alone tonight, because only in Havana, Cuba, and North Korea do we have any other organized political discussion on the face of the Earth where people still get up and argue that government is the answer to every problem. Eastern Europe, the Russian Republics, Albania, Central America have all rejected the Clinton policy and yet, our colleagues here on the Democratic side of the aisle still believe that if Government will just tax more and spend more, we will reach economic health.

The second point I want to make is, what is this nonprogram that the President supposedly has that has failed?

Well, let me just read some of the things that the President has proposed to try to put Americans back to work, which our colleagues here on the Democratic side of the aisle have prevented from becoming the law of the land.

The President has proposed cutting the capital gains tax rate to encourage people to invest in creating new jobs in America. Never in the 20th century have we cut the capital gains tax rate and not put more Americans to work. The President proposed a 15-percent credit for new investment. Congress refused to adopt it.

The President has proposed a permanent 20-percent tax credit for research

and experimentation. The Congress has refused to adopt it.

The President proposed lowering the alternative minimum tax, extending the targeted job tax credit, adopting enterprise zones to use the same free enterprise system they are trying to use to rebuild Eastern Europe in our own cities. Our colleagues are willing to allow free enterprise to work in Eastern Europe. They simply reject it for the cities in the United States.

The President proposed to give the peace dividend back to working families by raising the child care deduction by $500. Our colleagues want the Government to spend it believing that the Government can do a better job of investing in the future of the American families. The President proposed penalty-free withdrawals from IRA's, for medical care, for home purchase, for educational needs. Congress has rejected those proposals.

The President has proposed that we restore the doubling of the adoption deduction to encourage people to adopt children. The President has proposed numerous changes related to health care. In fact, we have tried many times to deal with the exploding liability problem that faces American business, all of our schools, and all of our health care, but a filibuster on the Democratic side of the aisle has prevented us from dealing with this problem.

So Mr. President——

Mr. CONRAD. Mr. President, will the Senator yield for a question?

Mr. GRAMM. I do not yield, because I only have 4 minutes.

Mr. President, President Bush has an economic program, but the Congress has refused to debate it and to adopt it. In those areas where the President has had unilateral power under the Constitution in foreign policy and defense policy, areas where he also has not had the support of the Democrats in Congress, he has been able to produce miracles. But without support for his domestic policies, Congress has stopped similar results at home.

The PRESIDING OFFICER. The time allotted to the Senator has expired.

The Senator from California is recognized for 2 minutes.

Mr. SEYMOUR. Thank you, Mr. President. I extend my thanks to the distinguished Senator from New Mexico.

Mr. President, there is one thing that I will agree on with my colleagues on the other side of the aisle, that this economy is the pits, unemployment is too high, and we must do something about it. That is why we are here tonight, to debate what measures are best for this country. What I have been proposing is to cut taxes. I think that is one way to create jobs. Whether it is a reduction in the capital gains tax, whether it is a first-time home buyers tax credit of $5,000, whether it is a use of the investment tax credit, we want to cut taxes.

I think that by leaving dollars in the taxpayers' pockets, the private sector is better able to create jobs and spur economic growth than the Federal Government.

My friends on the opposite side of the aisle believe the opposite. They believe the way to encourage economic growth and jobs is by taking more money out of people's pockets and recycling those dollars back out through failed Government programs.

So the choice is simple. Either we can talk on one hand about want-to-be-President Bill Clinton's proposal which consists of raising taxes $150 billion, continued deficits even after his first 4-year term and continuation of pouring money into wasteful Government programs. Or, we can take the alternative approach of cutting taxes, and leaving those tax dollars in the hands of the citizens of this country, the entrepreneurs of this country, who I believe are better equipped and know better how to create jobs.

The PRESIDING OFFICER. The Senator has used the 2 minutes allocated to him.

The Senator from New Mexico is recognized for the balance of his time.

Mr. DOMENICI. Mr. President, might I first answer some remarks made by my friend from Maryland. He put up a chart that shows that unemployment went up while the President, the day before, was talking about the economy improving.

The Senator from Maryland is a very distinguished Senator in terms of economic matters and he knows full well that every economist in the United States will verify that during that period of time, that quarter that the President was talking about, the American economy grew. As a matter of fact, that very quarter the American economy grew at over 2 percent, approaching 2½ percent, and that is what the President was talking about. To stand up there and say that he was intentionally deceiving the public when he was telling the truth, and the unemployment increase that occurred, all economists will say occurred while the American economy was growing and improving.

Mr. SARBANES. Will the Senator yield?

Mr. DOMENICI. I do not have enough time.

Mr. SARBANES. Since he used my name.

Mr. DOMENICI. I do not have time. I only have 4 minutes.

Mr. SARBANES. If the Senator is going to make outrageous——

Mr. DOMENICI. I did not.

Mr. SARBANES. He ought to give me an opportunity to respond.

The PRESIDING OFFICER. The Senator retains the floor.

Mr. DOMENICI. When I finish here I will yield. They have 10 minutes to answer. I am sure they will yield to the Senator from Maryland.

Mr. President, I want to make a couple remarks I think the American people ought to hear. You know we are talking about America today as it she is in some tremendous strait of doldrums, that we are worse off than anyone in the World. We constantly talk as if we were as good as this or that. Let me tell you right now, today the American people have the highest standards of living in the World. I am sure many Americans would not believe that, because the other side has been telling them for months on end how bad we are. Highest standard of living in the World. Productivity of our manufacturing workers and manufacturing business, highest in the World. You would think from what has been said that the Japanese have us beat. Already we are dead. As a matter of fact, the problem is they are catching up but we are still the highest.

How about how many Americans are working? We talk about unemployment—117,600,000 American men and women got up yesterday and went to work. In proportion to our population, the highest number of any country in the World.

Guess how many businesses in the United States are owned by women as of 2 years ago? Today 4.8 million women own businesses in America, up 45 percent in one decade. Now we talk about the wage gap between men and women. It was closed by 70 percent in the decade that they get up and whine and wimp about which was so terrible for the American people. And we can go on and on.

What we are really talking about tonight in essence is will a game plan by the Democratic nominee, Gov. Bill Clinton, improve American's livelihood, their standards of living, their status in the World, or will it do nothing but increase the deficit and spend more money?

I choose to say that unequivocally that plan is not a plan to cut the deficit of the United States which the other side has been saying is the most important thing we ought to do. It will not cut the deficit. It will add to the deficit, the largest new spending by the Government ever. It will increase taxes. And, as I see it, the current America which leads the World in exports—that is another surprising one; everybody would talk about we are out of it—we are the leading exporter in the World. I submit adopt the Clinton plan and instead of those positives remaining they will start going the other way.

Mr. President, I ask unanimous consent to print in the RECORD an article from Policy Bites entitled, "Is U.S. Income Inequality Really Growing?"

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

[From Policy Bites, June 1992]

IS U.S. INCOME INEQUALITY REALLY GROWING

(By Isabel V. Sawhill and Mark Condon)

It is widely believed that U.S. incomes have become more unequal since the early 1970s. This conclusion is based on studies by the Ways and Means Committee, the Congressional Budget Office, a variety of think tanks, and countless academics. Each has used Census data on incomes to measure how different income groups have fared over the past decade or two.

Liberal politicians cite these studies as evidence that American society is becoming more stratified, that the rich are getting richer and the poor poorer. Conservatives respond that these analyses are flawed—arguing that they fail to recognize the tremendous individual mobility hidden within the averages.

This debate on what has been happening to the distribution of income is not new. At issue is not just the facts but how to interpret the facts. Here we seek to clarify the debate by looking at data on a sample of individuals whose incomes were tracked between 1967 and 1986. Based on our analysis to date, the story is as follows:

1. If we rank all the jobs or other income-producing opportunities in society from highest to lowest, we find a growing gap between the top and the bottom. The rewards for success or good fortune have gotten larger and the penalties for failure or bad luck have grown correspondingly.

2. When society's reward structure is highly unequal it puts a big premium on individual income mobility. As long as there is a lot of mobility, an unequal reward structure is not necessarily a problem. If there is little mobility, then it is. Individual mobility in the United States falls somewhere between "a lot" and "a little." Many people do move from one income stratum to another. When one follows individuals rather than statistical groups defined by income, one finds that, on average, the rich got a little richer and the poor got much richer over both the decades for which we have data.

3. Lifetime incomes may still be getting more unequal, however. If the reward structure is getting more unequal, lifetime incomes are going to be more unequal unless growing wage inequality is offset by more mobility between jobs or other income-earning opportunities. We find no evidence that individual mobility increased between the 1970s and the 1980s.

THINKING ABOUT FAIRNESS

Joseph Schumpeter, a famous economic historian, once likened the distribution of income to rooms in a hotel—always full but of different people. In a hotel in which all the rooms are alike it doesn't matter which one you occupy. But in most hotels, as in most societies, some rooms are exceedingly luxurious, others are quite shabby, and which room you end up in matters a lot. Fairness requires that you have an opportunity to change rooms. For example, if you started our occupying a shabby room when you were young but graduated to increasingly more luxurious rooms as you got older, this could be considered perfectly fair. Or if everyone took turns spending a few nights in the room with the bedbugs and the lousy mattress, no one would complain. Over a sufficiently long period of time (say, a lifetime) everyone's experience would be the same. But, if the best rooms were always reserved for the privileged few and the shabby ones for the unfortunate many, some might question the fairness of the arrangements. What about the hotel we call the U.S. economy?

HOW INEQUALITY IS USUALLY MEASURED

To measure inequality, the U.S. Census Bureau each year looks at the hotel registry to see how many people are occupying each type of room. It ranks all families by their annual incomes from highest to lowest and sorts them into statistical groups. The 20 percent of all families with the lowest incomes are called the bottom quintile, the next 20 percent of families are called the second quintile, and so on . . . until all families are sorted into one of five quintiles. Later this year, the Census will re-rank all these families (as well as any new ones) according to their 1991 incomes. To test whether economic inequality has risen, the average income of each quintile in 1990 will be compared to the average income of that same quintile in 1991, even though each quintile may now contain a different set of individuals. These are the kinds of calculations that have been used to conclude that "the rich are getting richer and the poor poorer" over the last decade or two.

We need other data to track the process of who is changing rooms or quintiles. The University of Michigan's Panel Study of Income Dynamics (PSID) has followed a representative group of households since 1967. From this survey, we have selected all individuals, ages 25 to 54, in two years, 1967 and 1977, and then calculated what happened to their incomes over the subsequent decade (1967–76 and 1977–86, respectively).

THE HOTEL NOW HAS A GREATER VARIETY OF ROOMS

If, following the standard method of measuring inequality, we rank all these PSID individuals into income quintiles in each year and then calculate the percentage increase in average income for each quintile, we get a similar pattern to what one sees in Census data. Like the Census data, the PSID data suggest that after growing between 1967 and 1976, the average income of the bottom quintile declined between 1977 and 1986. In both periods, the average income of the top quintile grew rapidly.

What has caused this growth in income inequality as conventionally measured? Most analyses have shown that the main cause is the growing inequality of earnings. Although the tax system is a little less progressive than it was in the past and the safety net somewhat frayed, these changes have not been as important as the increasing gap between the wages of higher-paid and lower-paid workers.

Put simply, the economy now offers people jobs that vary more widely in terms of quality and pay. The economy increasingly resembles a hotel with luxury suites for some and substandard rooms for others, rather than a roadside motel with rooms of uniform quality. The less equal distribution of earnings, in turn, appears to be related to technological changes and international competition, which have put a high premium on education and experience. The rewards for both have been increasing since the late 1970s. Unless income mobility has increased in ways that offset these structural changes in the economy, lifetime earnings may becomes increasingly unequal.

PEOPLE SWAP ROOMS OFTEN

Individual mobility in the United States is substantial (Table 1). The white cells in the table show the proportions who did not change quintiles. For example, the number in the top left hand cell of the table represents the proportion (11.2/20 or 56 percent) of individuals in the bottom quintile in 1967 who were still in that quintile in 1976.

In both decades, some three out of five adults changed income quintiles. A little less than half the members of the bottom quintile moved up into a higher quintile, and about half the members of the top quintile fell out of that quintile. In both periods, more than two-thirds of those who started out in the middle quintile had moved up or down into a different quintile by the end of the period.

If mobility between income classes is a glass that is half full, it is also half empty. A little more than half the occupants of the bottom quintile had not risen out of that quintile ten years later, and half of the occupants of the top quintile remained there ten years later.

Nonetheless, the mobility that did occur ensured that over both decades, on average, the poor (here defined as those in the bottom quintile at the beginning of each decade) grew much richer, by 72–77 percent. The rich (defined as those in the top quintile at the beginning of the decade) grew a little richer, by 5–6 percent. (See Table 2).

These figures will not surprise the experts. Any significant mobility should lead to the same pattern. People who start at the bottom have nowhere to move but up, and are likely to do so as they become older, gain work seniority, and earn higher incomes. People who start at the top, some of whom may be there because of temporary sources of income like capital gains, have nowhere to go but down. This pattern, however, may be surprising to the general public, which has been led to believe that the poor were literally getting poorer over the last decade or two, and that the incomes of the rich were skyrocketing. This is simply not true.

PEOPLE DO NOT SWAP ROOMS MORE OFTEN THAN IN THE PAST

While mobility was substantial in both periods, U.S. mobility has not been increasing over time (see Table 1 again). In fact, there is little discernible trend in mobility at all. The slight changes between decades are too small to be meaningful, and depend to some extent on the age limitations of our sample.

The absence of any upward trend in income mobility suggests to us that lifetime incomes are becoming more unequal. The reasoning is straightforward. The bad jobs in our economy are now paying less in real terms than they did in the early 1970s and the people who hold them aren't moving out of them with any more frequency than before. We can expect their lifetime incomes to be lower than those of people who held these jobs in the past.

The good jobs in our economy are now paying a lot more than they used to and the people who hold them don't appear to be moving out of them with any more frequency than before. Their lifetime incomes will be a lot higher than the lifetime incomes of their earlier counterparts. The result, then, of higher pay at the top and lower pay at the bottom is greater lifetime income inequality.

To partially test this hypothesis, we averaged the total income of each individual in our sample over two ten-year periods, 1967–76 and 1977–86, and then ranked all individuals into five quintiles in both periods (Table 3). By averaging income over a ten-year period, we take account of each person's mobility over that period and get a more permanent measure of income. Looked at over a 10-year period, the average person had a family income of $46,260 in the first decade and $52,125 in the second decade. In the second period, however, there was greater inequality. This finding suggests that lifetime incomes are

becoming more unequal. So, while the annual income distributions may mislead the public about how much mobility occurs, they do accurately reflect an increase in inequality in the U.S.

A ROOM OF ONE'S OWN IS NOT NECESSARILY A ROOM WITH A VIEW

While many individuals swap rooms over time, the degree of mobility in the U.S. economy is not sufficient to ensure everyone a room with a view. Although the poor can "make it" in America, and the wealthy can plummet from their perches, these events are neither very common nor more likely to occur today than in the 1970s.

Indeed, since the rooms at the top have an increasingly nice view, while the ones at the bottom have deteriorated, some will conclude that the hotel we call the U.S. economy has become a more class-stratified place to live. Others will argue that the lure of a better view is what induces people to try to change rooms in the first place.

Whether the notion of class is half full or half empty depends on your perspective.

TABLE 1.—DISTRIBUTION OF INDIVIDUALS IN FINAL YEAR BY QUINTILE LOCATION IN STARTING YEAR

Family income quintile in 1967	Family income quintile in 1976					
	Bottom	Second	Third	Fourth	Top	All
Bottom	11.2	5.2	2.0	1.3	0.3	20.0
Second	4.1	6.0	5.0	3.0	1.7	19.8
Third	2.5	4.2	6.0	4.9	2.4	20.1
Fourth	1.3	2.9	4.7	5.9	5.2	20.0
Top	0.9	1.8	2.1	4.8	10.4	20.0
All	20.0	20.0	19.9	20.0	20.0	100.0

Family income quintile in 1977	Family income quintile in 1986					
	Bottom	Second	Third	Fourth	Top	All
Bottom	10.6	5.0	2.2	1.3	0.8	20.0
Second	4.3	6.0	5.1	2.9	1.7	20.1
Third	2.9	3.8	5.9	4.8	2.6	20.0
Fourth	1.0	2.9	4.3	6.8	5.0	20.0
Top	1.2	2.2	2.5	4.1	10.0	20.0
All	20.0	20.0	20.0	20.0	20.0	100.0

Note.—Sample limited to adults, ages 25 to 54 in starting year.

Source: Urban Institute.

TABLE 2.—AVERAGE FAMILY INCOMES OF INDIVIDUALS BY THEIR QUINTILE POSITION IN STARTING YEAR (1991 DOLLARS.)

Quintile	Average family income of:		Percent change
	1967 quantile members in 1967	1967 quintile members in 1976	
Bottom	$14,544	25,082	72
Second	26,979	41,018	52
Third	35,900	48,492	35
Fourth	46,115	57,839	25
Top	72,772	76,915	6
All	39,262	49,869	27

Quintile	Average family income of:		Percent change
	1977 quantile members in 1977	1977 quintile members in 1986	
Bottom	$15,853	27,998	77
Second	31,340	43,041	37
Third	43,297	51,796	20
Fourth	57,486	63,314	10
Top	92,531	97,140	5
All	48,101	56,658	18

Source: Urban Institute

Note.—Sample eliminated to adults, ages 25 to 54 in starting year.

TABLE 3.—REAL FAMILY INCOMES OF INDIVIDUALS AVERAGE OVER 10 YEARS (1991 DOLLARS.)

Quintile	Average annual family income.		Percent change
	1967–76	1977–86	
Bottom	$18,293	18,579	2
Second	32,785	34,084	4
Third	42,636	46,082	8
Fourth	54,100	60,594	12
Top	83,486	101,286	21
All	46,260	52,125	13

Source: Urban Institute

Note.—Sample eliminated to adults, ages 25 to 54 in starting year.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 10 minutes.

Mr. SASSER. Mr. President, a number of Senators wished to speak. I yield to the Senator from Maryland 30 seconds, 3 minutes to my friend from Iowa, 2 minutes to my distinguished colleague from Michigan, and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Maryland is recognized for 30 seconds.

Mr. SARBANES. Mr. President, I appreciate it.

I did not at any point say that the President was intentionally misleading the American people when he said on Thursday night he thought the economy was getting better, and on Friday morning we had the highest unemployment rate reported in the course of this recession.

In fact, my own interpretation is that the President really does not understand or feel what is going on across the country. That is not intentional deception; that is the failure of the President to understand what working Americans are coming up against.

The fact of the matter is that we are in a jobs recession.

The PRESIDING OFFICER. The 30 seconds have expired.

Mr. SARBANES. Will the Senator yield 30 additional seconds?

Mr. DOMENICI. I yield 30 additional seconds.

The PRESIDING OFFICER. The Senator is yielded 30 additional seconds.

Mr. SARBANES. I make this point. We are in a jobs recession. The President needs to recognize it; refused to do it all last year; would not recognize we are in a recession—oh, no, there is no problem, no problem. Meanwhile people out there out of work. Nine and a half million. Another 6.5 million working part time want to work full time. In previous recoveries coming out of the trough the economy has gone at this rate and restored within the first 13 months all the jobs that have been lost.

This is what has happened in this recession. We are simply not coming out of it. And the unemployment rate is at 7½ percent and the President does not understand it.

The PRESIDING OFFICER. The additional 30 seconds allocated to the Senator has expired.

Under the previous order, the Chair's understanding is that 3 minutes were allocated to the Senator from Iowa.

Mr. HARKIN. Mr. President, it is fairly obvious now that the plan put forward by Governor Clinton certainly flushed the foxes out of the hole this time. But the American people are not going to be outfoxed again by all this talk about big government and tax and spend, because the American people have the record.

My friends on the right everyone got up in support. They all supported the Bush economic program over the last 3½ years. We do not have to read their lips, Mr. President. We can read the record. There it is under the Bush administration. They said the American economy has grown less than 1 percent a year, the lowest growth since Herbert Hoover; 9.9 million Americans out of work.

Mr. Bush when he ran for President in 1988 said he was going to create 30 million jobs. Do you know how many he created—500,000. He is only 29½ million short.

Now, the real wages of American workers have dropped 9 percent below the level of 1979. Yet the income of the top 1 percent of America has gone up 77 percent.

Governor Clinton's program is put people first; the Republicans program is put wealthy people first. That is the difference, Mr. President. And the American people know it.

The minority leader earlier this evening got on the floor and he said that the American people are demanding paychecks. Amen, brother. They sure are. But they are not demanding paychecks that pay them 9 percent less than what they made in 1979 and not demanding minimum wage deadend paychecks. They want paychecks where they can raise their families, educate the kids, and buy a home and a car. That is what they want, not the kind of jobs that Mr. Bush has given them, minimum wage, deadend jobs.

The number of people who filed for bankruptcy last year was 1 million, one of the highest.

What this plan is of Governor Clinton is a bold investment plan for the future to invest in infrastructure, physical infrastructure, human infrastructure.

Yes, Mr. President, this is not a trickle-down economic plan. It is not voodoo economics. It is percolate up, invest in the people, build the base of America, get America back to work again.

The economic plan of George Herbert Walker Bush, Mr. President, is the economic equivalent of unconditional surrender to our economic competitors around the world.

This plan of Governor Clinton's is a bold investment plan. Yes, it is change; and yes, it is future oriented.

You know, I always knew the conservatives did not want to change, Mr.

President. But my friends on the right have now given new meaning to the word conservative: Stand pat; do nothing; cover your heads, and hope for the best. That is the Bush economic program.

The American people are not going to stand pat. They are not going to cover their heads.

This is what we need, Mr. President, a bold plan to change this country; the Clinton program, to invest in our people in America.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, this debate, I think, makes it clear. We are hearing the same rehash of the old supply side economics that created this terrible problem in the country that we have now.

It is very simple. Our friends on the other side are in here tonight protecting their wealthy friends, who got all the big tax cuts during the 1980's. And the theory was: Give the wealthy people the tax cuts. They will spend it. It will trickle down, and eventually get down somewhere in the bottom and create jobs for other people.

It did not work. Now, we have massive unemployment in this country. We have engineers out of work, driving taxicabs, if they can find a job. There are teachers who want to teach; there are no jobs in teaching for them.

We have a terrible problem in the country, and now the Bush administration wants to take this supply side nonsense worldwide. So now they have an economic plan for every country in the world except this one. They have one for Mexico; they have one for the old Soviet Union. They are going to be in here in a few days asking for money to help the old Soviet Union create jobs over there. We have one for Communist China. We have one for Kuwait. They have a supply side plan for all the rest of the countries in the world, but no jobs plan for America.

And America is sick and fed up with that kind of a situation. That is why we are going to get a new President elected this year; we are going to see that happen. But when they come in here now, preaching that same old line, protecting again their wealthy friends that have all these huge tax cuts, now they want to turn it around.

You know, the President—I do not think he has any sense of what is really happening in America today. We have unemployment in this country at 7½ percent. We are short 14½ million jobs on this chart from what the President himself promised just 3½ years ago.

So we have to have a change. We have to have a new President. We have to have an economic plan for this country, and we have to have a President who is going to be a President not just for the rest of the world, but a President for America.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I yield 2 minutes to the distinguished Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Senator from Tennessee.

Let me just say, for sheer hypocrisy, the other side has done it again. To criticize the Clinton plan on adding debt, when we have a record in this administration that is unparalleled in the world history of adding debt, takes the cake.

Mr. President, this President has sent us a plan to add $1.8 trillion to the national debt over the next 5 years. That is after they have already increased the debt over fourfold during the Reagan-Bush administration.

And now they say send us a plan. And the plan they have sent adds $1.8 trillion to the national debt. The record of the other side is very clear. It is the three D's: Debt, deficits, and decline. Add $1.8 trillion to the debt; have the biggest deficits ever in the history of this country—$400 billion this year; and decline, Mr. President, no economic growth during the Bush administration. None. No productivity growth in this administration. None.

That is a record of debt, deficits, and decline, Mr. President. And if we are going to have an argument and debate about economic policy, let it begin and let it begin now.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. 1 minute.

Mr. SASSER. Mr. President, just let me make a point here, again. I think it is well worth making.

The administration and this President promised, when he took office, that he would create 15 million new jobs. The 15 million new jobs are represented here on this chart by the blue line.

Let us look at performance versus promises. Of the 15 million new jobs that he promised, look at what we have represented by the yellow as actual jobs. It is the worst economic performance of any President since Herbert Hoover.

Now, we sent this President a growth and economic recovery plan. And I say to my friend from Texas—and I am sorry he left the floor—it contained six out of the seven economic recovery proposals that the President himself had proposed.

But the President vetoed that plan, and he vetoed it for one reason, and one reason only: Because it raised taxes on the top 1 percent of the American people, the multimillionaires who have profited during the decade of the 1980's. And he ignored the fact that it gave a tax cut to the remaining 99 percent of the taxpayers. He vetoed his own economic recovery plan because it increased taxes on his millionaire buddies.

Mr. SARBANES. Will the Senator yield?

The plan would have given the growth incentive and given the middle-income people a tax break; would it not?

Mr. SASSER. Yes.

Mr. SARBANES. Paid for by the taxes on the very rich?

Mr. SASSER. Yes.

The PRESIDING OFFICER. The time of the Senator has now expired.

Mr. SASSER. Mr. President, I now withdraw the amendment that had previously been offered on behalf of myself, Senator MITCHELL, Senator SARBANES, and Senator RIEGLE.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 2450) was withdrawn.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO ALFRED FITT

Mr. SASSER. Mr. President, I rise today to pay tribute to one of the founding staff members of the Congressional Budget Office, Alfred B. Fitt, CBO's first and only general counsel since the office was established in 1975. Later this year, Alfred will retire after a lifetime of public service.

Alfred Fitt began his public career in 1954 as legal adviser to the Governor of Michigan. From 1960 to 1961, he was staff counsel for the Senate Judiciary Subcommittee on Administrative Practice and Procedure. In 1961, Mr. Fitt was chief counsel for Project Tightrope, a study of FAA regulatory and enforcement procedures. He served as Deputy Under Secretary—Manpower—for the Army until 1963, when he became Deputy Assistant Secretary of Defense—Civil Rights. For the next few years, 1964 to 1967, Alfred served as General Counsel of the Army, where he also had policy and budget responsibility for the Corps of Engineers' civil works program. From 1967 to 1969, he was Assistant Secretary of Defense—Manpower. Alfred Fitt then left Federal service for 6 years to serve as special adviser for the office of the president at Yale University, where his work was chiefly concerned with Federal policy affecting higher education.

Alfred was among a handfull of experts whom Alice Rivlin consulted

when she was appointed the first Director of the Congressional Budget Office. His background in defense and education issues, plus his legal experience, enable Mr. Fitt to provide valuable advice and counsel to Dr. Rivlin as she organized CBO and laid out its work agenda. Alfred was instrumental in setting in place the appropriate guidelines and procedures for the nonpartisan office that provided a solid foundation for its work. He also served as a capable internal reviewer of policy analyses produced by the agency. When the Balanced Budget and Emergency Deficit Control Act was enacted in 1985, Alfred provided a steady stream of useful legal advice on how to implement the complex procedures for controlling the budget.

Alfred Fitt was supervisor for the first several reports in an annual CBO series on options for reducing the deficit. These compilations of alternative ways of raising revenue or reducing spending have become CBO's most widely circulated reports and have provided the ingredients for numerous deficit reduction proposals. In the 1984 edition, Fitt's introductory chapter opined prophetically that the "Government is on a course for which history provides no charts."

Over the 17 years that he has been with the Congressional Budget Office, Alfred has been the source of wise counsel to three Directors and two Acting Directors. As a key member of the senior management staff, Alfred can be proud of his contributions to making CBO the respected institution it is today. The appreciation we feel for the work of CBO is due in no small part to his efforts. At a time when much cynicism abounds concerning public servants, it is refreshing to recognize an individual of Alfred Fitt's stature, who, by personal commitment and education, has contributed to the strengthening of public service.

Mr. President, I wish Alfred all the best in his retirement. He deserves the gratitude of us all.

Mr. DOMENICI. Mr. President, if the Senator has no objection, I wish to associate myself with his remarks.

The CBO is a nonpartisan body, and the general counsel has done an admirable job.

MORNING BUSINESS

NATIONAL TEACHERS HALL OF FAME

Mrs. KASSEBAUM. Mr. President, Emporia State University in Emporia, KS, is the home of the National Teachers Hall of Fame. With its establishment, we can now pay special tribute to one of the world's most important professions.

The vision for the Hall of Fame came about as a joint project of Emporia State University, the ESU Alumni Association, and the city of Emporia. Since organizers began working on the project in 1988, the Hall of Fame has received the support and endorsement of national organizations such as the National Education Association, the American Federation of Teachers, and the National Parent Teachers Association. The project encompasses three components: a museum and exhibition center; an education study and conference center; and a teacher recognition program.

It is the teacher recognition program that I laud today. On June 20, the National Teachers Hall of Fame inducted the first 5 teachers. They are a group of remarkable individuals of diverse talents and interests. There is much they have in common, however—dedication to academic excellence and an enthusiasm for introducing their students to the thrilling adventures that await the curious mind. Each new school year, each new class is the opportunity to reach out and guide, to provide the setting where the difficult becomes understandable, the irrelevant gains meaning. All these fine individuals are involved in education on many different fronts, have active roles in academic organizations, and have already received many awards. With the National Teachers Hall of Fame, the very best of the best can be honored, and it is a pleasure to introduce them to you.

For Sheryl Abshire of Lake Charles, LA, teaching is a passion, "not an art or science." She views her mission as providing the opportunity where students can learn and experiment, gaining confidence for the independent journeys they will take throughout their lives. Mrs. Abshire has combined her love of teaching with today's technology, and her electronic bulletin board is widely used by students, teachers, and administrators. In addition, her students have produced, filmed, and directed the award-winning channel 7 "Kids News." She inspires other to share her vision.

Anna Alfiero of Norwichtown, CT, has been a teacher for 30 years. From childhood on, she has wanted to be a teacher and she, too, is an inspiration to students and colleagues alike. Never has excellence in science and math been more important than it is today, and that is what Mrs. Alfiero teaches—science and math and excellence. Her students worked together on science projects long before collaborative efforts were in vogue. They also receive daily stock market information so they can learn about economics and investment. Her thrill is in having her students say, "I got it," for that is the information they will need for tomorrow. Mrs. Alfiero describes "the art of teaching as ordinary people creating an extraordinary work of art—a human masterpiece." That may be her belief, but Mrs. Alfiero is anything but ordinary.

Helen Case, a former Kansas Teacher of the Year from El Dorado, KS, retired in 1973 after 45 years in the classroom. Becoming a doctor was her first career choice, but she did not have the opportunity to pursue that goal. Teaching may have been her second choice, but Miss Case, nevertheless, equates it with the medical profession. Where doctors heal bodies and minds, teachers take those minds and bodies "and give them the tools needed to face the society which they inherited." It comes as no surprise, then, to learn that Miss Case was a teacher of history, social science, and citizenship, and her students were prepared for the society they inherited through mock Congresses, national conventions, elections, and remote broadcasts. The truly dedicated teacher never really retires, and Miss Case proves that daily by remaining just as active, involved, and informed as she was throughout her teaching days.

From Detroit, MI, is Shirley Cunningham Naples, another retired teacher. She termed her first class as "the best in Wilson School"; she rated her last as "the best in the universe." These evaluations are typical of the enthusiasm and devotion she brought to her work. Her formula for success was simple—begin each school year by telling her pupils that they were the best, that they would achieve the highest test scores, that they would behave better than the rest of the student body—and that they would have fun in the process. Her job was teaching; theirs was learning. The success of her formula can be found in her students' high test scores and awards in writing, art, and math.

In the course of his career, Joseph Stafford York of Memphis, TN, has worn several different hats. He was first a minister when he realized his true calling was in the classroom. He later went into medical administration only to discover the pull of the classroom too strong to resist. Happily, that is where you will find Mr. York today. He believes his students have "a right to a teacher who believes in them and in himself," and his influence on them has been great and lasting. In addition to teaching in junior and senior high, Mr. York tutors teachers preparing for the National Teachers Exam and graduate entrance exams; he tutors children in the community; and he teaches evening classes at area universities and the regional State prison. Where others may call him a teacher of English, he considers himself a teacher of children, a distinction that has made Mr. York the highly motivated and effective teacher he is today.

Graham Greene once observed that "there is always one moment of children when the door opens and lets the future in." Fortunate, indeed, are the students who found these caring and dedicated teachers awaiting them at

the classroom door. The freshman class of the National Teachers Hall of Fame has set the standard of excellence against which all future classes will be measured.

CREDIT AVAILABILITY AND REGULATORY RELIEF ACT OF 1992—MESSAGE FROM THE PRESIDENT—PM 253

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Banking, Housing and Urban Affairs:

To the Congress of the United States:

I am pleased to transmit for your immediate consideration and enactment the "Credit Availability and Regulatory Relief Act of 1992." This proposed legislation will enhance the availability of credit in the economy by reducing regulatory burdens on depository institutions. Also transmitted is a section-by-section analysis.

The regulatory burden on the Nation's financial intermediaries has reached a level that imposes unacceptable costs on the economy as a whole. Needless regulations restrict credit, slowing economic growth and job creation. Excessive costs weaken financial institutions, exposing the taxpayer to the risk of loss. Rigid supervisory formulas distort business decisions and discourage banks, thrifts, and credit unions from pursuing their core lending activities. In 1991, the Nation's banks spent an estimated $10.7 billion on regulatory compliance, or over 59 percent of the system's entire annual profit. We cannot allow this unnecessary and oppressive burden to continue weighing down the consumer and business lending that will fuel economic recovery.

The Credit Availability and Regulatory Relief Act of 1992 reduces or eliminates a wide range of these unnecessary financial institution costs. Among the significant changes that would be made by the bill are:

—Elimination of the requirement that banking agencies develop detailed "micromanagement" regulations for every aspect of an institution's managerial and operational conduct, from the compensation of employees to the ratio of market value to book value of an institution's stock;

—Enactment of a statutory requirement that the regulations of the various Federal banking agencies be as uniform as possible, to avoid the complexity, inconsistencies, and comparative distortions that result from widely varying regulatory practices;

—Reduction of audit costs, by returning auditors to their traditional function of investigating the accuracy of depository institution financial statements and eliminating the costly and misguided expansion of their role over legal and managerial matters;

—Alleviation of the significant paperwork burden imposed by the Community Reinvestment Act on small, rural depository institutions *without* exempting such institutions from the substantive requirements to satisfy the credit needs of their entire communities—coupled with creation of incentives for institutions to reach higher levels of compliance by streamlining expansion procedures for institutions with outstanding Community Reinvestment Act ratings; and

—Elimination of the requirement that the Federal Reserve write detailed "bright line" regulations on the amounts of credit that one depository can extend to another, thus retaining the Federal Reserve's existing flexibility to supervise the payments system without unduly inhibiting correspondent banking relationships.

These changes, and the others made by the bill, will result in significant reductions to the administrative costs of depository institutions—costs that are currently passed on to borrowers in the form of restricted credit and higher priced loans.

I would like to emphasize that none of the bill's provisions will compromise in any way the safety and soundness of the financial system. The legislation makes no changes to those elements of the Administration's proposed supervisory reforms that the Congress did adopt last year. All existing capital standards will remain in force and will be neither weakened nor modified by the proposed legislation; the "prompt corrective action" framework mandating swift regulatory responses to developing institutional problems will remain unchanged; and bank regulators will continue to have exceptionally tough enforcement powers.

The legislation I am transmitting to you today is a broad and responsible solution to one of the major problems facing our financial system. The financial industry, the economy, and the public generally will benefit from enactment of this regulatory relief. I therefore urge the Congress to give high priority to the passage of the Administration's reforms.

GEORGE BUSH.

THE WHITE HOUSE, *June 24, 1992.*

MESSAGES FROM THE HOUSE

At 11:40 a.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. 5055. An act to authorize appropriations for the Coast Guard for fiscal year 1993, and for other purposes.

At 2:15 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House of Representatives having proceeded to reconsider the bill (H.R. 2507) to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes, returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was resolved that the said bill do not pass, two-thirds of the House of Representatives not agreeing to pass the same.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled bills and joint resolution:

H.R. 2818. An act to designate the Federal building located at 78 Center Street in Pittsfield, Massachusetts, as the "Silvio O. Conte Federal Building," and for other purposes;

H.R. 3041. An act to designate the Federal building located at 1520 Market Street, St. Louis, Missouri, as the "L. Douglas Abram Federal Building";

H.R. 4548. An act to authorize contributions to United Nations peacekeeping activities; and

H.J. Res. 509. Joint resolution to extend through September 30, 1992, the period in which there remains available for obligation certain amounts appropriated for the Bureau of Indian Affairs for school operations costs of Bureau-funded schools.

The enrolled bills and joint resolution were subsequently signed by the President pro tempore [Mr. BYRD].

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 5055. An act to authorize appropriations for the Coast Guard for fiscal year 1992, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MEASURES PLACED ON THE CALENDAR

The following concurrent resolution, previously received from the House of Representatives for concurrence, was ordered to be placed on the calendar:

H. Con. Res. 192. A concurrent resolution to establish a Joint Committee on the Organization of the Congress.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The PRESIDENT pro tempore (Mr. BYRD) reported that on today, June 24, 1992, he had signed the following enrolled bills and joint resolution previously signed by the Speaker of the House:

S. 250. An act to establish national voter registration procedures for Federal elections, and for other purposes;

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S. 2703. An act to authorize the President to appoint General Thomas C. Richards to the Office of Administrator of the Federal Aviation Administration; and

H.J. Res. 470. Joint resolution to designate the month of September 1992 as "National Spina Bifida Awareness Month."

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 24, 1992, he had presented to the President of the United States the following enrolled bills:

S. 250. An act to establish national voter registration procedures for Federal elections, and for other purposes; and

S. 2703. An act to authorize the President to appoint General Thomas C. Richards to the Office of Administrator of the Federal Aviation Administration.

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-3462. A communication from the Chairman of the National Commission on Libraries and Information Science, transmitting, pursuant to law, a report on a violation of the Antideficiency Act by the White House Conference on Library and Information Services; to the Committee on Appropriations.

EC-3463. A communication from the Deputy Under Secretary of Defense (Acquisition), transmitting, pursuant to law, a report on the Air-Launched Cruise Missile Flight Data Transmitter plan implementation for fiscal years 1992 and 1993; to the Committee on Armed Services.

EC-3464. A communication from the Assistant Secretary of Energy (Environmental Restoration and Waste Management), transmitting, pursuant to law, notice of submission of a Five-Year Plan on the management of environmental restoration and waste management activities at facilities under the jurisdiction of the Department of Energy; to the Committee on Armed Services.

EC-3465. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on the President of the United States' determination that the People's Republic of Angola has ceased to be a Marxist-Leninist country; to the Committee on Banking, Housing, and Urban Affairs.

EC-3466. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on HUD's Five-Year Energy Efficiency Plan; to the Committee on Banking, Housing, and Urban Affairs.

EC-3467. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to improve the management and efficiency of the United States Coast Guard, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-3468. A communication from the Acting Administrator of the Federal Aviation Administration, transmitting, pursuant to law, a report on the progress on developing and certifying the traffic alert and collision avoidance system; to the Committee on Commerce, Science, and Transportation.

EC-3469. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report of the Secretary of Commerce for the fiscal year ending September 30, 1991; to the Committee on Commerce, Science, and Transportation.

EC-3470. A communication from the Acting Adminstrator of the Federal Aviation Administration, transmitting, pursuant to law, a report on the FAA's progress in providing sensitive drug-related information to Federal, State, and local law enforcement agencies engaged in drug interdiction; to the Committee on Commerce, Science, and Transportation.

EC-3471. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report of the Department of the Interior covering the Outer Continental Shelf Natural Gas and Oil Leasing and Production Program for fiscal year 1991; to the Committee on Energy and Natural Resources.

EC-3472. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3473. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the Department of Energy's civilian radioactive waste management program; to the Committee on Energy and Natural Resources.

EC-3474. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on the North Carolina Striped Bass Conservation Act; to the Committee on Environment and Public Works.

EC-3475. A communication from the Senior Vice President of the Federal Intermediate Credit Bank of Jackson, transmitting, the annual report on pension plans for calendar year 1991; to the Committee on Governmental Affairs.

EC-3476. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the semiannual report of the Inspector General covering the 6-month period ending March 31, 1992; to the Committee on Governmental Affairs.

EC-3477. A communication from the Secretary of Commerce, transmitting, pursuant to law, the semiannual report of the Department of Commerce on final action for inspector General audits for the 6-month period ending March 31, 1992; to the Committee on Governmental Affairs.

EC-3478. A communication from the Federal Co-Chairman of the Appalachian Regional Commission, transmitting, pursuant to law, the semiannual report of the Inspector General of the Appalachian Regional Commission for the 6-month period ending March 31, 1992; to the Committee on Governmental Affairs.

EC-3479. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the semiannual report of the Inspector General of the Federal Trade Commission for the 6-month period ending March 31, 1992; to the Committee on Governmental Affairs.

EC-3480. A communication from the Inspector General of the General Services Administration, transmitting, pursuant to law, the audit report register of the GSA for the 6-month period ending March 31, 1992; to the Committee on Governmental Affairs.

EC-3481. A communication from the Acting Director of the Peace Corps of the United States, transmitting, pursuant to law, the semi-annual report of the Peace Corps' Inspector General for the 6-month period ending March 31, 1992; to the Committee on Governmental Affairs.

EC-3482. A communication from the Secretary of Labor, transmitting, pursuant to law, the semiannual report of the Inspector General of the Department of Labor for the 6-month period ending March 31, 1992; to the Committee on Governmental Affairs.

EC-3483. A communication from the Secretary of Labor, transmitting, pursuant to law, the semiannual report of the Pension Benefit Guaranty Corporation's Office of the Inspector General for the 6-month period ending March 31, 1992; to the Committee on Governmental Affairs.

EC-3484. A communication from the Chairman and General Counsel of the National Labor Relations Board, transmitting, pursuant to law, the semiannual report of the Inspector General of the National Labor Relations Board for the 6-month period ending March 31, 1992; to the Committee on Governmental Affairs.

EC-3485. A communication from the Secretary of Transportation, transmitting, pursuant to law, the semiannual report of the Inspector General and the semiannual report on Management Decisions and Final Actions of the Inspector General Audit Recommendations for the 6-month period ending March 31, 1992; to the Committee on Governmental Affairs.

EC-3486. A communication from the Secretary of Commerce, transmitting, pursuant to law, the semiannual report of the Inspector General of the Department of Commerce for the 6-month period ending March 31, 1992; to the Committee on Governmental Affairs.

EC-3487. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on the activities of the Office of Management and Budget under the Freedom of Information Act for calendar year 1991; to the Committee on the Judiciary.

EC-3488. A communication from the Secretary of Education, transmitting, pursuant to law, a report entitled "Notice of Final Funding Priority—Special Studies Program"; to the Committee on Labor and Human Resources.

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. WELLSTONE:

S. 2886. A bill to support the development of local and regional democratic institutions in the independent states of the former Soviet Union; to the Committee on Foreign Relations.

By Mr. MCCONNELL (for himself, Mr. GRASSLEY, and Mrs. KASSEBAUM):

S. 2887. A bill to amend title IV of the Social Security Act to provide that the Secretary of Health and Human Services shall enter into an agreement with the Attorney General of the United States to assist in the location of missing children; to the Committee on Finance.

By Mr. EXON:

S. 2888. A bill to amend title XVIII of the Social Security Act to provide for guidelines clarifying the reclassification of one rural area to another rural area for purposes of de-

termining reimbursement rates to hospitals under medicare; to the Committee on Finance.

By Mr. BOREN:

S. 2889. A bill to repeal section 5505 of title 38, United States Code; to the Committee on Veterans Affairs.

By Mr. DOLE (for himself and Mrs. KASSEBAUM):

S. 2890. A bill to provide for the establishment of the Civil Rights in Education: Brown v. Board of Education National Historic Site in the State of Kansas, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DOLE (for himself, Mr. BOND, Mr. GARN, Mr. GRASSLEY, and Mr. MCCAIN):

S. 2891. A bill to authorize the Administrator of the Environmental Protection Agency to establish a program to provide career training through the hazardous substance research center program of the Environmental Protection Agency to qualified military personnel and qualified Department of Energy personnel to enable such individuals to acquire proficiency in hazardous and radioactive waste management, and for other purposes; to the Committee on Environment and Public Works.

By Mr. PELL:

S.J. Res. 322. A joint resolution proposing an amendment to the Constitution of the United States relative to the commencement of the terms of the office of the President, Vice President, and Members of Congress; to the Committee on the Judiciary.

By Mr. SIMON:

S.J. Res. 323. A joint resolution designating October 30, 1992, as "Refugee Day"; 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. SHELBY (for himself, Mr. DOLE, and Mr. SIMON):

S. Con. Res. 126. A concurrent resolution expressing the sense of the Congress that equitable mental health care benefits must be included in any health care reform legislation passed by the Congress; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WELLSTONE:

S. 2886. A bill to support the development of local and regional democratic institutions in the independent states of the former Soviet Union; to the Committee on Foreign Relations.

INTERNATIONAL LOCAL GOVERNMENT EXCHANGE ACT

• Mr. WELLSTONE. Mr. President, last week we heard Russian Federation President Boris Yeltsin promise that his democratic reforms were moving forward, and that the success of those reforms depends upon critical assistance from the West. Along with many of my colleagues, I have been deeply impressed by his commitment to reform. Even in the face of pressing domestic needs, many of us have indicated our consistent support for helping his government and the Russian people establish a democratic polity and strong democratic traditions because we believe such democratization is in our national interest.

In anticipation of the upcoming debate on aid to the independent republics of the former Soviet Union, I am today introducing legislation to authorize a comprehensive 5-year, people-to-people exchange program designed to help the republics build strong, vital democratic institutions of local and regional governance. Establishing democratic local governments throughout the republics that are responsive to local problems is critical to the democratic transformation of the republics. The success of their efforts to democratize their systems of government and privatize their economies will depend in large part on the willingness of their diverse regional and local governments to stay in the Federation, maintain peaceful relations, and develop solutions to local problems and concerns.

Last December, I traveled to the former Soviet Union to assess firsthand a key period in its political and economic transformation. During that visit, I attended a conference on federalism sponsored by the Foundation for Social and Political Research in Moscow, which included parliamentarians and other public officials from the various Republics, and experts and prominent scholars from all over the world, committed to establishing a workable system of federal government there rooted in and responsive to local needs. Almost without exception, the Russian officials expressed a strong desire for extensive consultations with knowledgeable and experienced administrators from the West who could help them to develop a democratic polity and establish democratic institutions. They especially underscored their need to develop expertise both to deal with the everyday problems confronting local and regional governments and to manage the dramatic changes that will flow from the establishment of autonomous and democratic institutions of local government.

This legislation, the provisions of which I hope will be incorporated into the Freedom Support Act, would establish an international exchange program for public officials and public administrators from all levels of State and local government, under the aegis of an agency assigned by the President to carry out this mission. While I have designed the bill to give the president flexibility in executing the program, I believe the program would complement similar public official, media, business and other exchange programs already being undertaken by the United States Information Agency [USIA], and I would expect this program to be administered by USIA as well.

While my proposal establishes an international exchange program for public administrators to be administered by the United States Information Agency or another agency designated by the President, it will depend on contractor support from such organizations as the National Governors' Association, the National Association of Counties, the United States Conference of Mayors, and the National Academy of Public Administration.

These, and similar organizations, can mobilize the most able and experienced of America's State and local officials to provide training and other technical assistance to their counterparts in the former U.S.S.R. National associations of State and local officials are well-suited to help build democratic regional and local governments and to develop mechanisms to promote intergovernmental and inter-ethnic cooperation. They have experience in carrying out the kind of assistance activities proposed in my amendment. They operate extensive technical training programs for their memberships, and many of them have in the last year been inundated with requests for such technical assistance from the Republics. In discussions I have held with representatives of these groups, they have indicated strong interest in participating in a program similar to that outlined in my legislation.

I urge my colleagues to join me as cosponsors of this legislation, and to support this proposal when I offer it as an amendment to the Freedom Support Act later this week. I ask unanimous consent that a copy of the bill and several letters of endorsement for this proposal be printed in the RECORD following my statement.

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

S. 2886

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 "International Local Government Exchange Act of 1992".

SEC. 2. FINDINGS; POLICY.

The Congress finds that—

(1) the independent states of the former Soviet Union have requested the assistance of American Federal, State, and local officials in making the transition from Communist political systems and centrally planned economies to democratic societies based on local and regional self-government;

(2) the United States is well-positioned, because of its long democratic heritage and traditions, to make a substantial contribution to a transition of the independent states of the former Soviet Union to a more democratic polity and to democratic institutions by building on current technical and talent assistance programs with the newly independent republics of the former Soviet Union;

(3) it is in the immediate economic and national security interests of the United States to ensure the peaceful, orderly, and successful transformation of such states into fully democratic societies;

(4) provision by the United States of the requested assistance would promote development of a democratic polity and would help establish democratic institutions responsive to the needs of the people, particularly in the localities and regions of the independent states of the former Soviet Union;

(5) establishment of democratic local and regional governance that fosters the development of a decentralized market economy and preserves local autonomy and minority rights is essential in order to prevent the destabilization of the independent states of the former Soviet Union by serious economic and political deterioration or by interethnic tensions;

(6) such states have an educated labor force and the capability for productive economies, but they lack many of the basic organizations, institutions, skills, attitudes, and traditions of civil society on which democracy must ultimately rest;

(7) traditional United States foreign assistance programs and mechanisms are inadequate for responding to this new challenge because they are not designed to mobilize the practical expertise of the American people or to target and deliver practical assistance at the grassroots level in the widely divergent societies of the region;

(8) there is great willingness on the part of United States citizens to offer hands-on, person-to-person training, advice, support, and technical assistance to the peoples of the independent states of the former Soviet Union;

(9) State and local government officials in the United States can provide a vast pool of skills, talents, and experience which may be drawn upon to meet these urgent needs for democratic ideas and institutions;

(10) direct grassroots, people-to-people exchanges are the most appropriate means of ensuring that the rapid yet uneven evolution of social and political change will be responsive to the desires of the people of the independent states of the former Soviet Union;

(11) such exchanges can assist in the establishment of democratic regional and local governments where they do not now exist, and can assist existing local and regional governments to develop laws, policies, administrative and judicial procedures, regulatory competence, broad-based tax systems and effective service delivery mechanisms; and

(12) participants in such exchanges can work with national, regional and local officials to encourage intergovernmental cooperation through the establishment of laws, regulatory regimes, institutions, and channels of communication among government officials at all levels.

SEC. 3. STATEMENT OF PURPOSE.

The purpose of this Act is to facilitate the establishment of—

(1) legitimate, democratically elected local and regional governments throughout the independent states of the former Soviet Union that will be able to provide for self-governance and the full range of efficient and equitable public services and management practices expected of such governments in a free society;

(2) cooperative intergovernmental relations between and among the independent states of the former Soviet Union and among its regional and local governments that will provide effectively for such common needs as economic development, intermodal transportation, environmental protection, and joint service provision;

(3) permanent governmental and nongovernmental institutions throughout the independent states of the former Soviet Union that will provide continuing training, research, and development with respect to local and regional governance and intergovernmental cooperation; and

(4) ongoing ties of assistance and friendship between the officials and institutions of State and local governments in the United States and the independent states of the former Soviet Union.

SEC. 4. DEFINITIONS.

As used in this Act—

(1) the term "eligible organization" means—

(A) any organization of elected or appointed State, local, or regional governmental officials determined by the agency administering section 5 to have the capacity to engage in educational and technical assistance exchanges in public administration; or

(B) any private, nonprofit organization having expertise in public administration and experience in providing training or technical assistance; and

(2) the term "independent states of the former Soviet Union" includes the following states that formerly were part of the Soviet Union: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

SEC. 5. AUTHORITY.

(a) IN GENERAL.—(1) The President, acting through such agency as he may designate, is authorized to establish a program for technical assistance in local and regional self-government to the independent states of the former Soviet Union to carry out the purposes of this Act.

(2) Of the amounts authorized to be appropriated, an appropriate amount should be made available for necessary administrative expenses by the implementing agency.

(b) GRANTS.—In providing assistance under subsection (a), the President shall, subject to the availability of appropriations, make grants to eligible organizations to cover the travel and administrative expenses incurred by such organizations in conducting—

(1) an assessment of the need by any independent state of the former Soviet Union for fiscal, legal, and technical expertise at the local and regional level; and

(2) training of local and regional governmental officials in democratic institution-building and public administration.

(c) LIMITATION.—Funding for visits authorized under this section may not exceed 6 months duration.

(d) PRIORITY FOR CERTAIN ELIGIBLE ORGANIZATIONS.—In awarding grants under subsection (b), the President shall give priority to applications for grants from any of the following organizations:

(1) United States Advisory Commission on Intergovernmental Relations (ACIR).

(2) National Governors' Association (NGA).

(3) National Conference of State Legislatures (NCSL).

(4) Council of State Governments (CSG).

(5) National Association of Counties (NACO).

(6) United States Conference of Mayors (USCM).

(7) National League of Cities (NCL).

(8) National Association of Towns and Townships (NATaT).

(9) International City Management Association (ICMA).

(10) National Academy of Public Administration (NAPA).

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) AVAILABILITY OF FUNDS.—Funds authorized to be appropriated pursuant to subsection (a) are authorized to remain available until expended.

SEC. 7. TERMINATION.

This Act shall terminate 5 years after its date of enactment.

NATIONAL CONFERENCE OF STATE LEGISLATURES,
Washington, DC, June 22, 1992.

Hon. PAUL DAVID WELLSTONE,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of the National Conference of State Legislatures, I am writing to express our support for your amendment to S. 2532, the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992, that will enable state and local government organizations to assist and facilitate the establishment of stable, democratic-elected local and regional governments in the independent states of the former Soviet Union. We strongly endorse the amendment's goals of fostering such institutions through educational and technical assistance exchanges. NCSL greatly appreciates your leadership in recognizing that state and local government officials can contribute greatly to the development of democratic institutions in the Commonwealth of Independent States (CIS).

Exchanges of public officials as envisioned in your amendment supplement a growing interest among emerging democracies in understanding how American state and local governments operate. In fact, the number of official international delegations requesting briefings on state legislative operations has tripled in many state capitols in recent years. NCSL has seen first hand how these new democracies are looking at states as role models in addressing their problems of legislative management, intergovernmental relations, and a lack of legalistic traditions. The independent states of the former Soviet Union must clearly solve these same problems and U.S. public organizations, such as NCSL, have the experience and expertise to provide the technical training so badly needed by the local and subnational governments within the CIS.

NCSL, for example, has considerable experience with international visitors and international exchanges. We also routinely provide for our members specialized training programs regarding a wide range of legislative and management issues. Equally important, NCSL and state legislators are keenly interested in providing whatever assistance the former Soviet Union may require and our organization is committed to organizing a long-term coordinated assistance program. We are convinced that international exchange programs are one of the most inexpensive, yet effective, means of promoting personal contacts, providing technical assistance, and transferring ideas. However, the financial resources NCSL has available for such exchanges are very limited and our ability to respond to requests for assistance from CIS officials has been hampered. Only with the help of the federal government can we operate the type of exchange program that we believe is so urgently needed. Therefore, passage of your amendment is vital to state and local government organizations' ability to bring the ideals of democracy to the former Soviet Union.

Again, thank you for your leadership in this most critical issue. Please contact NCSL if we can ever be of assistance.

Sincerely,

PAUL BUD BURKE,
Senate President, Kansas,
President, NCSL.

THE UNITED STATES
CONFERENCE OF MAYORS,
Washington, DC, June 22, 1992.

Hon. PAUL DAVID WELLSTONE,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR WELLSTONE: The U.S. Conference of Mayors is writing in support of a regional and local democracy initiative in the former Soviet Union.

There is a strong need for technical assistance to establish and develop democratically elected regional and local governments in the former Soviet Union, to build professional and responsive leaders and systems to address regional and local public administration, and to foster cooperative intergovernmental relations between and among the national, regional and local governments.

The U.S. Conference of Mayors is one of many national organizations of elected American officials which have been approached again and again to provide technical assistance to the former Soviet Union at the local level.

The U.S. Conference of Mayors has tremendous resources for such an initiative in the over 1,000 mayors represented by The U.S. Conference of Mayors. The Conference is prepared to work with other national organizations to provide a long-term coordinated technical assistance program.

We believe that by working in cooperation with other national organizations of elected American officials and experts on public administration we can provide a much more comprehensive initiative than by working separately. However, we cannot do it alone. We need the expertise and resources of the American government to carry out an effective and successful program.

The U.S. Conference of Mayors strongly supports efforts to incorporate the expertise our mayors have to offer in a consortium such as that provided for in your legislation. We look forward to working with you and the Administration in securing appropriate funding for future efforts to democratize local governments in the former Soviet Union.

We believe that in the area of foreign assistance, this program deserves high priority.

Sincerely,

RAYMOND L. FLYNN,
President,
Mayor of Boston.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, June 22, 1992.

Hon. PAUL D. WELLSTONE,
U.S. Senate, Senate Hart Office Building, Washington, DC.

DEAR SENATOR WELLSTONE: The National Association of Counties (NACo) is writing in support of a regional and local democracy initiative in the former Soviet Union.

There is a strong need for technical assistance to establish and develop democratically elected regional and local governments in the former Soviet Union, to build professional and responsive leaders and systems to address regional and local public administration, and to foster cooperative intergovernmental relations between and among the national, regional and local governments.

NACo is one of many national organizations of elected American officials which have been approached again and again to provide technical assistance to the former Soviet Union at the local level. NACo has tremendous resources for such an initiative in the thousands of local elected officials who make up NACo. NACo is prepared to work with other national organizations to provide a long-term coordinated technical assistance program.

We believe that by working in cooperation with other national organizations of elected American officials and experts on public administration we can provide a much more comprehensive initiative than by working separately. However, we cannot do it alone. We need the expertise and resources of the American government to carry out an effective and successful program.

We believe that in the area of foreign assistance, this program deserves high priority.

LARRY E. NAAKE,
Executive Director.

NATIONAL ACADEMY OF
PUBLIC ADMINISTRATION,
Washington, DC, June 19, 1992.

Hon. PAUL DAVID WELLSTONE,
U.S. Senator, Hart Senate Office Building, Washington, DC.

DEAR SENATOR WELLSTONE: I am writing in response to a request from your office regarding the Academy's interest in the proposed "International Local Government Exchange Act of 1992."

The consortium of organizations identified as priority grant recipients constitute a considerable and substantial force for addressing the basic challenges of governance in the emerging democracies of the former Soviet Union. I have enclosed materials about the National Academy which explain its capacity and commitment to assisting the republics of the former Soviet Union.

Significant social, political and economic advances in the former Soviet Union will entail technical assistance by Western Nations in the training and development of elected officials, appointed officials and civil servants at all levels of government as well as the training of pools of potential personnel in the fields of governance, public management and administration. In order to respond to problems relating to community economic development, there is a need to enlarge the scale of education and training in the form of direct support for activities in the areas of governance and public sector institutional capacity building. The proposed legislation is focused to provide this desperately needed assistance.

The National Academy is frequently called upon by foreign governments to aid them in reforming the basic tasks of governance: diagnosis of public problems, policy formulation and decision making, practical implementation and accountability. Our assistance efforts aim to help foreign governments develop the institutional capacity to carry out the basic tasks of governance, by integrating external organizations (including political parties, media, special interest groups, civic and non-profit organizations, and universities) into the policy process of a democratic government.

Neither democratic governance nor economic reform can be achieved without competent publicly responsive regional and municipal governments. There is little history of decentralized governance in the former republics. Regional and municipal governments were principally administrative appendages of the central government in Moscow. This prohibited regional and municipal governments from communicating with each other, let alone collectively addressing matters of mutual interest.

The task in providing technical assistance is to help build at every level of government professional, sustainable institutional capacity which can operate within a democratic context. That is what we understand to be the principal aim of the "International Local Government Exchange Act of 1992."

I hope this provides you with the information you need regarding our interest in providing technical assistance to the republics of the former Soviet Union.

Sincerely,

R. SCOTT FOSLER,
President.

THE NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

The National Academy of Public Administration is a compelling force for renewing the capacity and improving the performance of public institutions in a time of change. The Academy is exceptionally well-qualified to address fundamental challenges associated with our system of governance and its various subsystems. It is uniquely and strategically positioned to facilitate the complex deliberations required to lay out and develop practical solutions for consideration by the U.S. government and those in the CIS.

The Academy's outstanding assets are its:

Timely, and noble mission, embodied in its congressional charter—the only such charter granted to an analysis and research organization since 1863—requiring the Academy to respond to requests for assistance from government agencies at all levels and, on its own initiative, to seek ways to improve governance. The Academy's congressional charter provides a motivating responsibility, legitimacy and prestige, and access to leadership and points of action.

Distinguished membership—400 plus Fellows—leaders in the public, private, and nonprofit sectors who are chosen by current Fellows through a secret nomination and ballot process based on exemplary and sustained contributions to public service or scholarship at all levels of government and over the full range of policy and management issues facing the nation. The Academy's fellowship includes current and former members of Congress, cabinet members, federal executives, state and local legislators, governors, mayors, local public managers, policy analysts, and university-based political scientists, economists and other scholars. Taken as a whole, the Academy's membership embodies a wide range of talents and backgrounds, including a commitment to professionalism, public values, high respect, and a capacity for renewal.

Strategic, highly visible position at the crossroads of the levels of the federal system, public and private sectors, and major domestic and international policy issues. This position makes it nonpartisan, i.e., disinterested regarding any one perspective or position.

Orientation to action—practical management concerns—and knowledge—the full range of basic, applied, and management-oriented scholarship. The Academy's work is concerned with the intersection between policy and process. It brings to that intersection considerable experience in constructing and reconstructing institutional arrangements and in building, allocating, and reallocating public resources.

Extensive outreach activities, making it a "do tank" as well as a think tank. This in-

volves consultation with government agencies and other organizations, direct links to policy makers and managers, education, and training programs.

Organization, including its institutional structure based on the talents of its 400 members; its standing panels and other ongoing activities on the public service, executive management, the international system, the federal system, and ethics; as well as professional staff who are themselves practitioners and scholars of public administration.

Track record of over 300 projects and other accomplishments, including reports congressional testimony, informal advice, and membership resolutions, all of which are designed to improve government at all levels. Some of the Academy's recent and current projects related to the contemporary challenges of governance are listed in Appendix B.

Ongoing commitment to improving government. The Academy itself is part of the nation's capacity to govern.

In sum, the Academy is a national resource.

Looking forward, this resource reflects a considerable and substantial force for addressing the basic challenges of governance in emerging democracies. The Academy can be a focal point for building the relationships and structures required for the meaningful and focused set of dialogues necessary to ask the appropriate questions and seek answers to them. The Academy has the ability to get the right people together to consider and analyze the issues, design recommendations to address those issues, and to get that knowledge disseminated quickly into channels where it can be acted upon.

NATIONAL GOVERNORS ASSOCIATION,
Washington, DC, June 22, 1992.

Hon. PAUL DAVID WELLSTONE,
U.S. Senate, Washington, DC.

DEAR SENATOR WELLSTONE: This letter is to express support for your proposed legislation, the International Local Government Exchange Act of 1992. United States Governors increasingly are asked to play a role in assisting emerging democracies around the world, especially in Eastern Europe and the former Soviet Union. I appreciate your efforts to emphasize the need for development of local democratic institutions within the overall U.S. aid package.

Republic, oblast, and city officials are seeking technical expertise in a vast array of areas related to the design and implementation of public policies and programs. States represent the best source of expertise in key areas such as budgeting, taxation, infrastructure development, education, employment and training, public-private partnerships, and intergovernmental relationships and responsibilities. In addition, there is a strongly expressed desire by Russian/CIS private entrepreneurs and businesses to establish contacts with American companies. We believe that public initiatives resulting from states' assistance will provide additional trade opportunities for U.S. companies.

That is why NGA is working with and on behalf of states to develop activities that will link American states and subnational governments within the republics. Background information on state and NGA activities is attached.

We also have demonstrated an interest in working with other national organizations to undertake a more comprehensive technical assistance effort. Obviously, we cannot do it alone. But with guidance and assistance from the federal government, our efforts can make a significant contribution in shaping the democratic institutions of the newly independent republics. We stand ready to work with you and other members of Congress, as well as the Administration, to proceed on these initiatives.

Sincerely,

RAYMOND C. SCHEPPACH.

NATIONAL GOVERNORS ASSOCIATION,
Washington, DC, June 2, 1992.

STATES ACTIVE IN THE NEWLY INDEPENDENT REPUBLICS

SUMMARY

During the past two years, ten Governors have traveled to the former Soviet Union as its breakup has created numerous opportunities for improving trade, political, and cultural relations between states and the newly independent republics. States are undertaking a variety of initiatives to promote closer relations and assist the republics in moving toward democracy and free markets. State activities—a sampling of which follows—have included trade promotion, as well as cultural exchange and humanitarian assistance. Federal legislation is being considered to address military security concerns, and to expand trade assistance and support for democratization efforts.

BACKGROUND

Although the Soviet Union ceased to exist in 1991, the government structures in the independent republics and the relationships between the republics are still emerging. In mid-December 1991, representatives of the Russian Federation, Ukraine, and Belarus approved an agreement that established a Commonwealth of Independent States. The agreement provides for central control over the military and for coordination of economic and foreign policy. Kazakhstan, Kirghizia, Tajikistan, Uzbekistan, Armenia, Azerbaijan, Moldavia, and Turkmania soon joined. The republic of Georgia has not joined the commonwealth. The Baltic states of Lithuania, Latvia, and Estonia, which established their independence much earlier, have no plans to join.

While there have been initiatives to transfer government assets to private interests and to decontrol prices, shortages of food and medicine have impeded progress. Numerous reforms have been instituted in connection with the republics' interest in attaining membership in the International Monetary Fund and the World Bank.

These financial and tax reforms will allow them to qualify for the organizations' aid and allow for access to programs to help stabilize their currency. However, while the republic governments have attempted to make it easier for foreign businesses to invest, there are still disincentives. For example, Russia recently established a 60-percent tax on all income of any foreign business representatives living and working in the Russian Federation for more than 180 days. Even though progress on market reforms and democratization has been slow, states have become more active in pursuing trade promotion and foreign relations initiatives with the former Soviet Union.

STATE INITIATIVES

States have taken a number of different approaches to developing closer relations with the newly independent republics. Among other efforts, states have sponsored trade missions, targeted the republics for trade promotion efforts, developed cultural programs to foster better relations, and participated in humanitarian assistance programs.

Trade Missions.—Over the last two years, ten Governors have traveled to what is now the former Soviet Union. Many more delegations were led by other state officials. The visits have focused primarily on exploring trade opportunities, although most trips also had non-trade components such as technical assistance or educational exchange agreements.

Focusing on Key Industries.—Some states have targeted specific sectors of trade to promote with newly independent republics. For example, Minnesota, New Jersey, Virginia, and Wisconsin are emphasizing both pollution control and medical equipment sectors. Virginia sees potential for telecommunications firms. Illinois is concentrating on machine tools and metal working, automotive parts, and telecommunications. Kansas has given priority to agricultural products and commodities, transportation services, and grain handling and storage. Georgia is focusing on agriculture and food processing. Oklahoma is concentrating on the oil and gas industry. Indiana sees opportunities for its housing industry.

Formal Relationships.—Some states have targeted specific republics or regions for promoting overall trade. Minnesota has developed ties with Russia, Belarus, and Kazakhstan; Kansas and Wyoming have focused on Russia; Colorado has concentrated on Russia and Uzbekistan; and Idaho is developing a relationship with Kirghizia.

Five states have signed formal sister-state agreements:

Alaska and the Khabarovak region.
Georgia and the Republic of Georgia.
Illinois and the Russian Federation.
Iowa and the Stavropol region.
Vermont and the Kareli region.

The number of sister-state relationships is expected to grow in the immediate future. In addition to state-level agreements, there is a vast network of sister cities involving all the republics and twenty-seven states, according to Sister Cities International. Many other states—including California, Colorado, Idaho, Indiana, Maryland, New York, and Rhode Island—have entered into other types of specialized agreements. These agreements have initiated cultural exchanges, educational exchanges, technical assistance projects, and governmental exchanges.

A number of states, such as Illinois, Maryland, New Jersey, New York, and Rhode Island, have helped organize and facilitate visits of official and business delegations from the republics. State government officials often play a role in these visits by helping explain the workings of U.S. sub-central government, the democratic process, and the free market system.

Promoting Private Initiative.—States also are helping with private initiatives with the newly independent republics. For example, international trade offices in Michigan and Arkansas are providing assistance and acting as referral agencies for the numerous private trade and cultural program efforts that already exist in their states.

The Russian Winter Campaign is an example of states working with private groups to provide humanitarian assistance to the republics. Arkansas, Georgia, Idaho, Oklahoma, Pennsylvania, Utah, and Wisconsin have participated in this project, which was designed to generate 100 to 150 tons of food and medicine during the winter from each state. An initiative of the non-profit International Foreign Policy Association, the program arranges transportation and assists in the distribution of these supplies to designated cities and institutions. The cam-

paign will continue its efforts until September 1992.

States such as Idaho, Maryland, and Washington are working with the Fund for Democracy and Development, a private nonprofit group that provides logistics support for transportation of food, medicines, and other goods to the commonwealth republics and the Republic of Georgia.

OTHER STATE-RELATED ACTIVITIES

Ten national associations of state and local government officials are exploring a collective initiative that would establish a network of technical assistance activities aimed at helping republic and oblast officials with problems of governance. Such a project might include Governors, mayors, legislators, county executives, and others assisting counterparts in the republics with matters such as planning, budgeting, and management. The project is being developed in cooperation with the U.S. Advisory Commission on Intergovernmental Relations. The initiative resulted from a visit to Moscow in December 1991 of a delegation of federal, state, and local officials to discuss federalism. Missouri Governor John Ashcroft, NGA Chairman was a member of that delegation which met with numerous Russian officials.

Other groups of state and local officials are developing similar projects. For example, state agriculture commissioners and land grant university officials are reviewing a proposal to promote agriculture-based pairings of states and oblasts. These pairings would promote activities ranging from farmer-to-farmer exchanges to agribusiness and food distribution technical assistance. Colorado Governor Roy Romer and Iowa Governor Terry Branstad recently sent out a letter to all Governors explaining the proposal and announcing a conference to consider the proposal in Colorado in July.

FEDERAL ACTION

Congress has held numerous hearings on aid to the region. Earlier this year, the President authorized an emergency airlift effort along with other aid efforts. He also submitted to Congress legislation outlining his proposal for humanitarian assistance and other initiatives. He has called it the Freedom Support Act of 1992 (Freedom for Russia and Emerging Eurasian Democracies and Open Markets). The bill, S. 2532, was introduced by request on April 7th by Sen. Claiborne Pell (D-RI). It would do the following:

Support emergency humanitarian aid;

Facilitate demilitarization and nuclear power safety issues;

Extend the provisions of the Support for East European Democracy (SEED) Act of 1989 to the former Soviet Union;

Expand democratization efforts, including the establishment of "America Houses" to share information about American history, government, and culture;

Extend federal credit guarantees and programs;

Allow waiver of restrictions on imports from the republics and further ease export control restrictions; and

Provide for an expanded American presence in the region through organizations such as the Peace Corps and the Citizens Democracy Corps.

G-7 Plan.—The legislation would implement the U.S. role in the Group of Seven (G-7) industrialized countries' aid initiative. The G-7 plan is a $24 billion aid packages that would provide $4.5 billion in International Monetary Fund (IMF) and World Bank aid, $2.5 billion in debt deferral, $11 billion in bilateral aid, and $6 billion for a special IMF currency stabilization fund for the ruble.

NGA POLICIES AND ACTIVITIES

The NGA policy on the Soviet Union and Eastern Europe (H-4.6, adopted July 1990) recognizes the profound changes that have taken place. It urges the United States to take a strong role in helping these newly independent republics to democratize and to develop free markets. Toward that end, the policy takes the following positions.

Barriers to trade with the newly independent republics should be removed provided that human rights initiatives are sustained.

The United States should advocate a policy of open lands to the people of the newly independent republics (that is, individuals should have the ability to move about freely within the host country).

The U.S. government should increase U.S. and Foreign Commercial Service efforts to expand trade with the newly independent republics and with Central and Eastern Europe.

States should take steps to promote contact with the newly independent republics and Central and Eastern European countries. States can do this through both trade activities and cultural, business, and educational exchanges. States also should consider providing technical assistance in such areas as environmental protection, health care, energy policy, and government policy development and planning.

NGA has participated in a number of projects to foster interaction between states and the newly independent republics. In April 1991, NGA helped coordinate a visit to the United States by a delegation of cabinet officials and regional Governors from the Russian Federation. In November 1991, Colorado Governor Roy Romer and Delaware Governor Michael Castle led a mission cosponsored by NGA and the Western Governors' Association. The purpose of the mission was to assess the possibility of a new initiative between states and republics, emphasizing trade development and technical assistance. The delegation visited Moscow and the city of Tashkent in Uzbekistan. During the 1992 NGA Winter Meeting, the Governors met with Ambassador Robert Strauss to explore means by which the Governors could support the transition in the Commonwealth of Independent States to a democratic government and free market economy.

NGA currently is exploring the possibility of establishing an office in Moscow on a trial basis to further the Governor's objectives in promoting trade. The major goal of the project would be to work with state trade programs in helping U.S. businesses establish trade relationships with entities in the republics. The office might also act as a referral for technical assistance efforts between states and republics.

CONCLUSION

States are fostering a variety of economic, cultural, and political connections with the newly independent republics. With the emergence of separate republics and the advent of the Commonwealth of Independent States, these activities are expanding and accelerating. The economic reforms and other liberalizations underway will allow even greater opportunities for state projects in the region.

SAMPLING OF STATE ACTIVITIES WITH THE NEW REPUBLICS

The following are some examples of activities States are pursuing to develop better relations with the newly independent republics.

Alaska.—Because of its proximity to the Russian Far East, Alaska hosts an increasing number of Russian visitors each year. Alaska has many exchange programs with republic regions and organizations. The programs are varied and include exchanges of medical specialists, government employees, scientists, and environmental specialists. Alaska also has concluded a number of cooperative agreements with republic regions on educational, scientific, environmental, and transportation projects. In the area of trade promotion, Alaska is encouraging trade in such sectors as telecommunications, heavy equipment, and transportation. The State also has encouraged joint ventures such as mining, environmental planning and management, and health services.

Arkansas.—The Arkansas university system has several exchange programs. There is a teacher and student exchange program with the Moscow Pedagogical Institute. Also, there is a joint program with the chamber of commerce that allows professors to visit Moscow for two-to-three-week periods to teach business courses.

California.—California reached a memorandum of understanding with: the Russian Republic in April 1991. In accordance with the agreement, California is promoting commercial ties through increased trade, including cooperation and assistance in agricultural and industrial production; science and educational exchanges; tours of artistic groups and contacts between leaders in culture and the arts; and cooperative efforts in the areas of tourism and environmental protection. California also is promoting local ties, and there are currently twelve sister-city relationships between California and cities in the newly independent republics. California also has a very active relationship with the republics in the academic sector. The University of California, University of Southern California, Stanford, and others have faculty and student exchange programs, cooperative research efforts, business and economics technical assistance, and athletic exchanges.

Colorado.—Colorado is creating exchange programs and providing technical assistance in areas such as agriculture, education, government, and economic development. In January 1991, Colorado formalized its efforts by signing a Protocol of Cooperation with the Russian Republic, which pledged cooperation and collaboration for projects in business, education, and culture. One such project is the University of Colorado's International Center for Public Administration and Policy in Denver and in Moscow, which was created to provide education and training to assist with the transition to democracy and free markets. Another example is the Governor's Soviet Task Force composed of business and education leaders; the task force was created to counsel the Governor on business and economic issues relating to the newly independent republics. The State also encourages private sector organizations such as the Colorado Soviet Trade Association which is composed of businesses interested in increasing trade with the republics.

Georgia.—Georgia promotes a range of trade and foreign relations initiatives with the former Soviet Union. One aspect of this effort is promotion of exchange linkages and technical assistance projects between Georgia universities and organizations in the newly independent republics. For example, Georgia State University is involved with the Russian republic; the University of Georgia has developed projects with Ukraine and Lithuania; and Fort Valley State College is

working with Uzbekistan. In addition, several universities have been involved in assistance projects and exchanges with Georgia's sister state, the republic of Georgia.

Idaho.—Idaho has formulated a joint statement with the republic of Kirghizia, which is expected to lead to a sister-state agreement. Idaho-Kirghizia projects under consideration include joint venture promotion, personnel and cultural exchanges, and technical assistance projects. University ties already exist: the University of Idaho has cooperative agreements or memoranda of understanding with seven institutions of higher education in the newly independent republics. Also, Idaho potato growers are working with federal groups to donate food for future USDA shipments.

Illinois.—Illinois has a sister-state agreement with the Russian republic. The state works with the Russian Association for Foreign Economic Cooperation for Medium and Small Businesses and the US-USSR Trade and Economic Council to promote business activity with the newly independent republics. The state's International Business division assists delegations from the republics, and received a delegation of four Russian Governors in January. In 1991, the division was successful in facilitating several joint ventures between Illinois and the Commonwealth of Independent States.

Indiana.—In December 1991, Indiana reached an agreement with the Moscow oblast to assist them in democratization and with making a transition to a market economy. The state is working closely with oblast officials to set up technical assistance projects, governmental and academic exchanges, and educational linkages in connection with the agreement. In this effort, Indiana is working with the Indiana-Soviet Trade Consortium, a not-for-profit group of Indiana businesses interested in improving relations with the republics. Under the agreement, there will be two joint Indiana state-Moscow oblast committees with members appointed by the Governor and the chairman of the oblast. The committees will assist with the strategic planning necessary for market and democratic reforms. As part of the agreement, the Moscow oblast will purchase from Indiana companies goods and services that are at least equal to the services Indiana provides through the agreement. A compensation committee will determine the details of the purchases. Indiana has already begun one particular assistance project: they are helping the oblast in defining the oblast-Russian republic relationship by furnishing oblast officials with information on federal-state relationships in the United States and on U.S. state constitutions.

Iowa.—In 1987, Iowa established a sister-state agreement with the Stavropol region in the Russian republic. It was the first such agreement between a state and a region in the former Soviet Union. Since then, Iowa implemented a number of programs to foster business and cultural ties with the republics. Iowa established the International Development Foundation, a public-private organization, in the fall of 1990 to assist the Soviet Union and Eastern Europe in the development of democracies, free markets, and international trade. One of the foundation's projects is an agreement to establish two agribusiness centers in Russia and Ukraine. The purpose of the project is twofold: first, to introduce market-oriented agricultural business practices; and second, to promote long-term trade and commercial ties. The centers will introduce U.S. technology and agribusiness skills to help improve Russian and Ukrainian food production, processing, and distribution. The program will be conducted by the Iowa State University faculty and by members of the U.S. agribusiness community, who will provide equipment, technology, and technical advice. For their part, Russia and Ukraine will assume domestic costs associated with the center and will administer participation in the program. Also, Iowa is participating in the creation of an electronic network that will provide information about U.S., Russian, and Ukrainian agribusiness firms in order to facilitate commercial contacts and information exchange. Other foundation projects include exchanges of state legislators and the establishment of sister hospitals and other medical community connections.

Maryland.—Maryland concluded agreements of Friendly Partnership and Cooperation with Russia and Lithuania to promote official government connections, promote trade, and educational exchanges. Also, the Maryland/Eastern European People's Program (MEEPP) promotes programs for technical assistance, training, scholarship, and education opportunities between the people of Maryland and the republics. MEEPP is a cooperative effort of the University of Maryland, Johns Hopkins University, the Maryland business community, the not-for-profit sector, and various state agencies. MEEPP projects with the newly independent republics include educational exchanges, an East-West Technology Center at the University of Maryland, technical assistance with environmental projects, cultural exchanges, and the Baltics-Maryland Partnership, which provides a wide variety of assistance to the Baltic states.

New Jersey.—The Governor and the state international trade office have been active in hosting delegations from the newly independent republics. They have hosted groups from Moldavia, Ukraine, Belarus, Lithuania, and Russia. These meetings have led to exchanges on legal affairs, trucking operations, and food packaging/processing technology. A meeting with Ukraine officials resulted in a major dairy and food processing project with a New Jersey commercial refrigeration company.

New York.—New York concluded an International Partnership Program agreement with Lithuania in 1991. Under the program, the state will offer technical assistance in economic restructuring, small business development, trade and investment promotion, science, education, and culture. Initiatives are still in the planning stages, but one aspect of the program has already begun. A Technology Transfer Center was opened and expanded in a Lithuanian college. The center was developed with the assistance of the State University of New York, which will eventually provide training and technical support for international industrial development activities. An exchange program of professors is already underway. Another aspect of the program is technical assistance. New York officials have briefed and provided assistance to Lithuanian officials in the areas of policy development and regulation of finance and banking.

Oklahoma.—In October 1991, Governor David Walters, one of the first U.S. officials to visit the former Soviet Union after the August coup, led a delegation of oil and gas industry leaders on a mission to Moscow, St. Petersburg, and Tbilisi in an effort to gauge economic opportunities for Oklahoma companies. As a result of the trip, several Oklahoma oil and gas companies have reached agreements with republic enterprises to produce energy resources. Oklahoma also has provided humanitarian assistance to the republics including 120 tons of food and medical supplies as well as sending specialized firefighting equipment to Southeastern Uzbekistan to fight catastrophic oil well fires. Governor Walters played an active role this past winter in encouraging other states to participate in humanitarian assistance efforts. Currently Governor Walter's office is collecting outdated but still safe and effective pharmaceutical products from hospitals and manufacturers in the United States to send to health providers in the republics. The state also is helping private efforts to host republic delegations for educational, cultural, business, humanitarian, and technical assistance purposes. Oklahoma's higher education institutions have been active in providing assistance. Among other projects, Oklahoma City University was the first U.S. university selected to train former Soviet military executives in economic theory and practice through classes and internships with local Oklahoma businesses. The Center for International Trade Development at Oklahoma State University set up one of the few live interactive video-conferences between U.S. citizens and business leaders and decision-makers in Moscow. The University of Tulsa will initiate an MBA program at the Zelenograd Technological Institute for the Fall 1992 semester.

Rhode Island.—Rhode Island's Department of Economic Development signed an agreement with Murmansk, a port city in the Russian republic, to promote trade. The program includes cooperation and exchanges in shipping, industry and manufacturing, and science and technology. The Department of Economic Development has hosted several trade delegations from the Russian Republic interested in promoting ties with Rhode Island businesses and improving trade between the ports of Providence and Murmansk.

Wisconsin.—Wisconsin expects that there will be numerous trade opportunities in sectors in which their state is very competitive: dairy products/processing, environmental regulations and monitoring systems, medical equipment, and factory automation. To promote cultural and educational contacts, Wisconsin is encouraging sister-city relationships; five already have been established.

This information was collected as part of an NGA survey of states conducted December 1991 through May 1992. NGA gratefully acknowledges the effort and cooperation of those states who responded.

THE COUNCIL OF
STATE GOVERNMENTS, LEXINGTON, KY,
June 23, 1992.

Hon. PAUL D. WELLSTONE,
U.S. Senate, Senate Hart Office Building, Washington, DC.

DEAR SENATOR WELLSTONE: The Council of State Governments is writing in support of your efforts to aid in the development of local and regional public administration programs in the former Soviet Union.

The need for such programs is great. Strong local and regional democratic government institutions are necessary to ensure the stability of emerging democracies around the world. Technical assistance from the United States in this area, combined with general and specific assistance in other areas, is necessary to smooth the transition of the states of the former Soviet Union from authoritarianism to democracy.

The Council of State Governments (CSG) is frequently approached to lend our expertise

to the development and implementation of such programs. CSG has vast resources and experience at its disposal and is prepared to work in coordination with other national organizations to implement and maintain a long-term technical assistance program in the former Soviet Union.

While CSG and other national organizations possess broad expertise and experience, we cannot go it alone. Guidance and assistance from the federal government will be necessary for a successful democratic institution building program. CSG remains willing and eager to work with you and other Members of Congress, the administration and other national organizations as this important undertaking moves forward.

Sincerely,

DANIEL M. SPRAGUE,
Executive Director.●

By Mr. EXON:

S. 2888. A bill to amend title XVIII of the Social Security Act to provide for guidelines clarifying the reclassification of one rural area to another rural area for purposes of determining reimbursement rates to hospitals under Medicare; to the Committee on Finance.

ADJACENCY REQUIREMENT FOR RURAL HOSPITALS

Mr. EXON. Mr. President, today, I am introducing legislation to eliminate the adjacency requirements for rural hospitals wishing to reclassify to another rural area.

Currently the law requires that hospitals must be within 35 miles and in an adjacent county before they can reclassify to a metropolitan statistical area or another rural area. My bill retains the 35-mile restriction, but does not require that the hospitals be in neighboring counties to reclassify.

The changes in hospital costs do not stop at county lines. Eliminating the adjacency requirements can result in increasing a hospital's diagnostic related group payments. This is significant, especially in rural areas where they are fighting for every dollar and competing with neighboring hospitals for personnel.

In Nebraska, hospitals which are within 35 miles of Kansas, Colorado, South Dakota, Iowa, Missouri, or Wyoming have to compete for personnel because Nebraska's reimbursement rates are lower. For people living in rural areas, 35 miles is not a great distance to drive to get higher pay. Rural hospitals have enough strikes against them without competing on an unlevel playing field with other rural hospitals in neighboring counties.

While this bill is no panacea for rural hospitals, it allows a few rural hospitals to be reimbursed more equitably for the same services with their close neighbors.

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

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

S. 2888

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

SECTION 1. CLARIFICATION OF MEDICARE GUIDELINES ON RECLASSIFYING ONE RURAL AREA TO ANOTHER RURAL AREA.

(a) IN GENERAL.—Section 1886(d)(10) of the Social Security Act (42 U.S.C. 1395ww(d)(10)) is amended by adding at the end the following new subparagraph:

"(G) In promulgating or enforcing the guidelines or regulations under this paragraph, the Secretary shall provide, in determining whether a county in which a hospital is located should be reclassified from one rural area to another rural area under this paragraph, that the borders of such rural areas need not be contiguous as long as the rural areas are within 35 miles of proximity to one another.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to reclassifications occurring on or after October 1, 1992.

By Mr. BOREN:

S. 2889. A bill to repeal section 5505 of title 38, United States Code; to the Committee on Veterans' Affairs.

REPEAL OF LIMITATION ON PAYMENT OF COMPENSATION

● Mr. BOREN. Mr. President, I am introducing a bill today to remedy a grave injustice caused by the Omnibus Budget Reconciliation Act of 1990. I supported the bill because I believe that a balanced budget must be a top priority for Congress and the administration. I also believe we can achieve that objective through reasonable and humane reductions and reallocations of spending. But one provision of the 1990 budget agreement was neither reasonable not humane.

The Veterans' Administration was directed to discontinue benefits to any incompetent veteran who has an estate of $25,000. When the estate goes below $10,000, the payments may start again.

We seem unwilling or unable to contain cost of living increases to Social Security recipients, Federal and military retirees, but we stop benefits to those veterans who have been determined incapable of supporting their families and conducting their own affairs.

In February of this year, I was pleased to learn that a Federal district court had granted a preliminary injunction in a class action in which the Disabled American Veterans challenged the constitutionality of this measure. Now I find that the U.S. Court of Appeals has vacated the injunction and it will require legislation to remove this ban on benefits to veterans who cannot fight their own battles and frequently cannot because they were fighting a battle for us.

The only excuse I have heard for including this provision is that apparently there has been some indication of misuse of these funds by guardians or fiduciaries. Mr. President, I think it would be possible to uncover some degree of waste, fraud and abuse in most Federal programs. At the same time, I am very sure that we would also agree that dismantling these programs is not the answer. I venture to say that for every abuse of this program, there have been hundreds of veterans and their families unfairly impacted because of the cessation of these payments.

As soon as the payments to incompetent veterans stopped, I was contacted by a few Oklahomans whose stories need to be heard and are, I suspect, quite typical. For instance, one incompetent Oklahoma veteran's condition has been unchanged since World War II when he was injured in a parachuting accident during a mission. His sister brought him home from an institution and started paying for his needs and banking the VA benefits so there would be money to take care of her brother after she died. Another Oklahoma father brought his son, who was injured during the Vietnam era, home for the same reason. Yes, those estates are over $25,000 but were giving caring family members some peace of mind.

Mr. President, our annual deficits are an estimated $400 billion a year. We will borrow 25 cents of every dollar we spend next year. The fiscal year 1993 interest and deposit insurance requests total more than the Defense budget request. We may save $125 million a year from those of the 13,500 incompetent veterans whose estates are more than $25,000. Were they selected because they cannot fight back? All the payments to individuals are more than 40 percent of the total budget, yet we ask these few, unfortunate veterans and their families to sacrifice. In my view, it says that the Congress and the administration only has the courage to find savings from Americans who cannot defend themselves. I welcome the cosponsorship of my colleagues and I hope for immediate action to right this wrong.●

By Mr. DOLE (for himself and Mrs. KASSEBAUM):

S. 2890. A bill to provide for the establishment of the Civil Rights in Education: Brown versus Board of Education National Historic Site in the State of Kansas, and for other purposes; to the Committee on Energy and Natural Resources.

CIVIL RIGHTS IN EDUCATION: BROWN VERSUS BOARD OF EDUCATION NATIONAL HISTORIC SITE

Mr. DOLE. Mr. President, today I am introducing a bill to preserve one of the two schools involved in the Brown versus Board of Education case—the landmark U.S. Supreme Court decision that brought an end to legal segregation in public education. Joining me to sponsor the Civil Rights in Education National Historic Act of 1992 is my distinguished colleague from Kansas, Senator KASSEBAUM. In addition, a companion bill will soon be introduced in the House.

THE BROWN VERSUS BOARD CASE

In 1951, Oliver Brown and 12 other parents attempted to enroll their children in what was then the all-white Sumner Elementary School. When Linda Brown and the other children were denied admission and told to attend the all-black school, Monroe Elementary, Lawyers John and Charles Scott initiated the legal action that became one of the most important civil rights case in American history: Brown versus Board of Education.

All of those who played a role in advancing the case wanted a nation where schoolchildren—and all people—were not divided by race. They wanted a nation that built bridges and not walls. The plaintiffs and their lawyers believed that the Constitution provided equal access to education, and the Supreme Court confirmed their belief when in 1954 the decision was sent down declaring segregation illegal.

WHY THE STUDY WAS REQUESTED

Over the years since the Brown decision, the two schools have met very different fates. The Sumner school continues to be used by the city of Topeka as a school and it remains in good condition. The Monroe School, unfortunately, has fallen on hard times since its sale to a developer. At one point, there was even talk of tearing it down.

After hearing of these plans, Cheryl Brown-Henderson, president of the Brown Foundation, contacted the Kansas delegation to ask our help in protecting the school. As a first step, the delegation asked the Secretary of Interior to designate the Monroe School a national historic landmark. The Sumner School had already received this designation several years earlier, so the application for the Monroe School was readily approved by Secretary Lujan.

The Kansas congressional delegation then requested that the National Park Service research the feasibility of preserving the Monroe School as an interpretive center for the landmark Brown versus Board of Education case. Our goal was not only to preserve the structure, but to make sure the important story of the Brown case would not be lost to future generations.

THE FEASIBILITY STUDY

The Park Service thoroughly examined the impact of the case on American history, the interpretation of the site, and the full range of management alternatives. The study team also looked at a number of related properties and held a public meeting to gather the community's viewpoints.

After 2 years of research, the Park Service concluded that both the Monroe School and the Sumner School are of national significance. The Park Service states, "the location of both schools in Topeka and the quality of education they provided to Linda Brown and the other plaintiffs in the case, were material to the finding of the Supreme Court in the Brown decision." And furthermore that, "the Sumner Elementary School and the Monroe Elementary School symbolize both the harsh reality of discrimination permitted by the Plessy versus Ferguson decision in 1986 and the promise of equality embodied in the 14th amendment to the constitution that was realized after 1954."

In addition, the property was found to be of sufficient size and configuration to afford adequate resource protection and provide appropriate space for facilities. The park service believes the site is both suitable and feasible for development as a national historic site.

MANAGEMENT ALTERNATIVES

The study offered four management alternatives: no action, national historic site status, management of the site by the Brown Foundation, or management by some other private group.

After reviewing the study and speaking with the community, I believe the best way to preserve the school and offer a thorough interpretation of the case is to manage the Monroe School as a national historic site.

According to the feasibility study, the park service has no other site in its system tied to "constitutional law" of the same magnitude as the Monroe School. In my opinion, it is important to preserve the school in order to remember and learn from our Nation's sad history of segregation.

CONCLUSION

I recently attended the dedication of the Monroe School as a national historic landmark and was touched by the outpouring of interest and support from the community. In 1954, Kansans were deeply involved in the case—in fact, the language that the Supreme Court used to discuss the effects of segregation was drafted by the First District Court of Kansas. The large turnout for the landmark dedication ceremony demonstrates the people in my State's strong ties to this case and their support for representation of the school.

I feel strongly that the lessons from the Brown versus Board of Education case should never be forgotten and I look forward to the day when the Monroe School will once again be a place of learning.

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

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

S. 2890

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 "Civil Rights in Education: Brown versus Board of Education National Historic Site Act of 1992."

SEC. 2. DEFINITIONS.

As used in this Act—

(1) The term "Secretary" means the Secretary of the Interior.

(2) The term "historic site" means the Civil Rights in Education: Brown versus Board National Historic Site as established in Section 4.

SEC. 3. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds as follows:

(1) The Supreme Court, in 1954, ruled that the earlier 1896 Supreme Court decision in Plessy versus Ferguson that permitted segregation of races in elementary schools violated the fourteenth amendment to the U.S. Constitution, which guarantees all citizens equal protection under the law.

(2) In the 1954 proceedings, Oliver brown and twelve other plaintiffs successfully challenged an 1879 Kansas law that had been patterned after the law in question in Plessy versus Ferguson after the Topeka, Kansas, Board of Education refused to enroll Mr. Brown's daughter, Linda.

(3) Sumner Elementary, the all-white school that refused to enroll Linda Brown, and Monroe Elementary, the segregated school she was forced to attend, have subsequently been designated National Historic Landmarks in recognition of their national significance.

(4) Sumner Elementary, an active school, is administered by the Topeka Board of Education; Monroe Elementary, closed in 1975 due to declining enrollment, is privately owned and stands vacant.

(b) PURPOSES.—The purposes of this Act are—

(1) to preserve, protect, and interpret for the benefit and enjoyment of present and future generations, the places that contributed materially to the landmark U.S. Supreme Court decision that brought an end to segregation in public education; and

(2) to interpret the integral role of the Brown v. Board of Education case in the civil rights movement.

(3) to assist in the preservation and interpretation of related resources within the city of Topeka that further the understanding of the civil rights movement.

SEC. 4. ESTABLISHMENT OF THE CIVIL RIGHTS IN EDUCATION: BROWN V. BOARD OF EDUCATION NATIONAL HISTORIC SITE.

(a) IN GENERAL.—There is hereby established as a unit of the National Park System the Civil Rights in Education: Brown v. Board of Education National Historic Site in the State of Kansas.

(b) DESCRIPTION.—The historic site shall consist of the Monroe Elementary School site in the City of Topeka, Shawnee County, Kansas, as generally depicted on a map entitled "Civil Rights in Education: Brown v. Board of Education National Historic Site," numbered Appendix A and dated June 1992. Such map shall be on file and available for public inspection in the appropriate offices of the National Park Service.

SEC. 5. PROPERTY ACQUISITION.

The Secretary is authorized to acquire by donation, exchange, or purchase with donated or appropriated funds the real property described in section 4(b). Any property owned by the States of Kansas or any political subdivision thereof may be acquired only by donation. The Secretary may also acquire by the same methods personal property associated with, and appropriate for, the interpretation of the historic site. Provided, however, the Secretary may not acquire such personal property without the consent of the owner.

SEC. 6. ADMINISTRATION OF HISTORIC SITE.

(a) IN GENERAL.—The Secretary shall administer the historic site in accordance with

this Act and the laws generally applicable to units of the National Park System, including the Act of August 25, 1916 (39 Stat. 535), and the Act of August 21, 1935 (49 Stat. 666).

(b) COOPERATIVE AGREEMENTS.—The Secretary is authorized to enter into cooperative agreements with private as well as public agencies, organizations, and institutions in furtherance of the purposes of this Act.

(c) GENERAL MANAGEMENT PLAN.—Within 2 complete fiscal years after funds are made available, the Secretary shall prepare and submit to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate a general management plan for the historic site.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $1.25 million to carry out the purposes of this Act including land acquisition and initial development.

Mrs. KASSEBAUM. Mr. President, I am pleased to join my colleague from Kansas in cosponsoring the Civil Rights in Education: Brown versus Board of Education National Historic Site Act.

Kansans know well the story of Linda Brown and her struggle in the early 1950's to attend Sumner Elementary School, the all-white school located three blocks from her parents' home. Denied admission to Sumner solely because she was black, she was forced to make the daily 24-block trek from her home in central Topeka to Monroe Elementary, the city's nearest black school.

Today, these facts seem reprehensible. But, it took a group of angry and determined parents, including Linda Brown's, to say the system was wrong. They went to court believing that separate education facilities for blacks and whites were inherently unequal; and in 1954, they convinced the entire United States Supreme Court.

The case, Brown versus Board of Education of Topeka, was a landmark in our country's civil rights movement, and it began because a Topeka school girl was not allowed to enroll in one school and forced to attend another.

The legislation we introduce today will designate the Monroe School, the all-black school attended by Linda Brown, as a National Historic Site. It will enable the National Park Service to preserve this building and use it to put into context the impact this decision has had on the civil rights movement and black history. No other site in the National Park System commemorates this important historic theme.

Mr. President, creation of the Civil Rights in Education National Historic Site will be an important reminder of the inequalities that existed in the separate but equal school systems prior to 1954. In designating the Monroe School as a national historic site, we will also honor those who played key roles in the Supreme Court's Brown versus Board of Education decision. They had the courage to step forward and correct inequity. In doing so, they not only helped create a fairer educational system but a basic principle of justice.

By Mr. DOLE (for himself, Mr. BOND, Mr. GARN, Mr. GRASSLEY, and Mr. MCCAIN):

S. 2891. A bill to authorize the Administrator of the Environmental Protection Agency to establish a program to provide career training through the hazardous substance research center program of the Environmental Protection Agency to qualified military personnel and qualified Department of Energy personnel to enable such individuals to acquire proficiency in hazardous and radioactive waste management, and for other purposes; to the Committee on Environment and Public Works.

ENVIRONMENTAL SCIENCE EDUCATION ACT

Mr. DOLE. Mr. President, I am pleased to introduce the environmental science education bill.

The purpose of this legislation is to prepare men and women for the task of cleaning up our Nation's environmental problems. It is not a cure-all to the problem, but it is a positive step forward. By establishing programs in universities throughout the Nation in the environmental sciences today, we can ensure that a highly trained cadre of environmental professionals will be on the job in the shortest possible time—and time is the thing that we are running out of.

The environmental cleanup of our Nation is a complex and difficult task that will take decades to complete. Adding to the environmental problems are the radioactive sites that must be made safe. In my view, these are problems that we should confront now, or we will have to pay for later.

One of the major obstacles in the cleanup problem is that we do not have enough people trained in the environmental sciences. Federal and State agencies have determined that there is a serious shortfall of scientists, engineers, and technicians in the environmental disciplines. This shortfall of professionals is also a problem in the private sector. Technical talent in the design and implementation of environmental concerns hinders the cleanup process and the construction of new environmentally safe facilities.

This bill will harness the prior training of the men and women within the Departments of Defense and Energy that have prior hands-on training in environmental problems and provide them with the academic education necessary to become experts in the field. The environmental science education programs would be established in the current EPA university hazardous research centers. This consortium of universities spans the Nation and allows the opportunity to use the wealth of information and expertise of information and expertise of the research centers.

Mr. President, environmental safety is a national priority. We can continue to talk about it, or spend more money on litigating it, or we can act now. In my view, the environmental science education bill is a positive step toward solving the problem, and ensuring that we will hand over to future generations a safe and environmentally healthy nation.

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

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

S. 2891

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

SECTION 1. DEFINITIONS.

For the purposes of this Act:

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) The term "hazardous substance research centers" means the hazardous substances research centers described in section 311(d) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9660(d)). Such term shall include the Hazardous Substance Research Center for Federal Regions VII and VIII, located at Kansas State University in Manhattan, Kansas, the Northeast Hazardous Substance Research Center located at the New Jersey Institute of Technology, the Great Lakes and Mid-Atlantic Hazardous Substance Research Center located at the University of Michigan, the Hazardous Substance Research Center of the South and Southwest located at Louisiana State University, and the Western Region Hazardous Substance Research Center located at Stanford University.

(3) The term "hazardous waste" means—

(A) waste listed as hazardous waste pursuant to subtitle C of the Solid Waste Disposal Act (42 U.S.C. 6921 et seq.);

(B) radioactive waste; and

(C) mixed waste.

(4) The term "mixed waste" means waste that contains a mixture of waste described in subparagraphs (A) and (B) of paragraph (3).

(5) The term "qualified individuals" means qualified military personnel and qualified Department of Energy personnel.

(6) The term "qualified Department of Energy personnel" means individuals who, during the 5-year period preceding the date of the enactment of this Act, have been employed by the Department of Energy and have been involved in the production of nuclear weapons, and whose employment at the Department of Energy during such 5-year period was scheduled for termination as a result of a significant reduction or modification in the programs or projects of the Department of Energy. Such term shall not include any employee who terminates employment by taking early retirement or who otherwise voluntarily terminates employment.

(7) The term "qualified military personnel" means members and former members of the Armed Forces of the United States who have training in site remediation, site characterization, waste management, waste reduction, recycling, engineering, or positions related to environmental engineering or

basic sciences (including training for management positions). Such term shall not include any former member of the Armed Forces whose service in the Armed Forces was terminated by dismissal (in the case of a former officer) or by discharge with a dishonorable discharge or a bad conduct discharge (in the case of a former enlisted member).

(8) The term "radioactive waste" means solid, liquid, or gaseous material that contains radionuclides regulated under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) of negligible economic value (considering the cost of recovery).

SEC. 2. EDUCATION AND TRAINING PROGRAM.

(a) IN GENERAL.—

(1) ESTABLISHMENT OF PROGRAM.—

(A) IN GENERAL.—Not later than 3 months after the date of the enactment of this Act, the Administrator, in consultation with the Secretaries of Energy and Defense, shall establish an education and training program for qualified individuals to enable such individuals to acquire career training in environmental engineering or environmental sciences in fields related to hazardous waste management and cleanup.

(B) DEVELOPMENT OF ACADEMIC PROGRAM.—In carrying out the program, the Administrator, in consultation with the Secretaries of Energy and Defense, shall develop and implement an academic program for qualified individuals at institutions of higher education at both undergraduate and graduate levels, and which may lead to the awarding of an academic degree or a certification that is supplemental to an academic degree.

(2) PROGRAM ACTIVITIES.—

(A) IN GENERAL.—The program established pursuant to paragraph (1) may include educational activities and training related to—

(i) site remediation;

(ii) site characterization;

(iii) hazardous waste management (including such specialized activities and training relating specifically to radioactive waste as the Administrator determines to be appropriate);

(iv) hazardous waste reduction (including such specialized activities and training relating specifically to radioactive waste as the Administrator determines to be appropriate);

(v) recycling;

(vi) process and materials engineering;

(vii) training for positions related to environmental engineering or environmental sciences (including training for management positions); and

(viii) environmental engineering, with respect to the construction of facilities to address the items described in clauses (i) through (vii).

(B) EDUCATIONAL ACTIVITIES.—The program established pursuant to paragraph (1) shall include educational activities designed for personnel participating in a program to achieve specialization in the following fields:

(i) Earth sciences.

(ii) Chemistry.

(iii) Environmental engineering.

(iv) Statistics.

(v) Toxicology.

(vi) Industrial hygiene.

(vii) Health physics.

(viii) Education management.

(ix) Any other field that the Administrator determines to be appropriate.

(b) GRANT PROGRAM.—

(1) IN GENERAL.—From the amounts made available under subsection (c), the Administrator shall award grants to the hazardous substance research centers to pay the Federal share of carrying out the development and implementation of the academic program described in subsection (a).

(2) GRANT AWARDS.—The Federal share of each grant awarded under this subsection shall be 100 percent.

(c) FUNDING.—

(1) ENVIRONMENTAL PROTECTION AGENCY.—

(A) IN GENERAL.—Subject to the limitation described in subparagraph (B), 50 percent of the cost of carrying out this section shall be funded from amounts made available for fiscal year 1993 to the Environmental Protection Agency pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(B) LIMITATION.—The limitation described in this subparagraph is that not more than 1 percent of the amounts made available for fiscal year 1993 to the Environmental Protection Agency pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) may be used to carry out this section.

(2) DEPARTMENT OF DEFENSE.—

(A) IN GENERAL.—Subject to the limitation described in subparagraph (B), 25 percent of the cost of carrying out this section shall be funded from amounts appropriated for fiscal year 1993 to the Defense Environmental Restoration Account.

(B) LIMITATION.—The limitation described in this subparagraph is that not more than 1 percent of the amounts appropriated for fiscal year 1993 to the Defense Environmental Restoration Account may be used to carry out this section.

(C) TRANSFER.—The Secretary of Defense shall transfer an amount determined in accordance with subparagraphs (A) and (B) to the Environmental Protection Agency, pursuant to the authority granted the Secretary under section 2703 of title 10, United States Code.

(3) DEPARTMENT OF ENERGY.—

(A) IN GENERAL.—Subject to the limitation described in subparagraph (B), 25 percent of the cost of carrying out this section shall be funded from amounts appropriated for fiscal year 1993 to the Department of Energy for the purpose of environmental cleanup.

(B) LIMITATION.—The limitation described in this subparagraph is that not more than 1 percent of the amounts appropriated for fiscal year 1993 to the Department of Energy may be used to carry out this section.

(C) TRANSFER.—The Secretary of Energy shall transfer an amount determined in accordance with subparagraphs (A) and (B) to the Environmental Protection Agency.

By Mr. PELL:

S.J. Res. 322. Joint resolution proposing an amendment to the Constitution of the United States relative to the commencement of the terms of Office of the President, Vice President, and Members of Congress; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT RELATIVE TO COMMENCEMENT OF THE TERMS OF THE OFFICE OF PRESIDENT, VICE PRESIDENT, AND MEMBERS OF CONGRESS

Mr. PELL. Mr. President, today I am introducing a joint resolution to amend the Constitution to advance the date for the inauguration of the President. Currently, the inauguration date is January 20, a date set by the 20th amendment to the Constitution in 1933. My resolution would advance the inauguration date to the 10th of December.

The reasons for my pursuing this proposal are straightforward: The time between the election of the President and his or her assumption of office is simply too long, entirely unnecessary, and potentially dangerous and destabilizing. By taking this simple step, we can avoid the potential pitfalls that encumber a prolonged transition period within the executive branch without compromising the means by which the transfer of power occurs in our country in any way.

In looking at whether or not the current Presidential inauguration date should be retained, it is useful to look at the history of its setting. Since the adoption of the Constitution, there have been two different dates set for the inauguration of the President: March 4 and January 20. The original March 4 date was set as a result of that day happening to be "the first Wednesday in March" following the adoption by the Continental Congress in 1788 of an act commencing the proceeding of the Government of the United States under the newly ratified Constitution.

The inaugural date remained on March 4, until 1933 when, following ratification of the 20th amendment to the Constitution, the date was moved from March 4 to January 20. The motivation behind changing the date then was largely the same as the motivation for my proposing the change now: There was no advantage and potentially many problems with a delayed inauguration and advances in vote-counting technology and transportation had rendered unnecessary the long interim between November and March.

Today, further technological advances enable election results to be determined within hours of the closing of polling stations and travel to the Nation's Capital is, at most, a 2-day affair from the most distant parts of our country. Accordingly, the potential for updating our Presidential transition process by advancing the inaugural date, and thereby reducing the potential risks inherent if such a process is protracted, is not limited by technological capability.

What are the potential risks of a delayed inauguration and what advantages would result from the establishment of an earlier date? First, one of the chief risks is the potential for confusion by both domestic and foreign governments over whom appropriately speaks for the Federal Government of the United States during the current 2½-month hiatus between our Presidential election and inauguration. Currently, this interim is nothing but a near-paralysis of government in both domestic and foreign affairs. In domestic affairs, policy decisions or the implementation of programs which may be crucial to the well-being of the country are either on hold during this period or are rushed into place against the desires of the newly elected administration. Similarly, foreign govern-

ments generally defer dealing with outgoing administrations or, even worse, hasten to make arrangements that a newly enfranchised President might not countenance. There is no reason to run these risks because of an outdated determination of the Presidential inauguration date.

Second, another compelling reason for advancing the inaugural date is that the earlier date would permit the incoming President time to submit to Congress his or her own budget for the following fiscal year instead of submitting revisions and amendments to a budget prepared by the outgoing administration. It makes little sense that we have this built-in duplication of effort and expense. In addition, an earlier inaugural date would provide a President with a much better opportunity to seek revisions in the budget for the current fiscal year, thereby providing the chance for the quicker transition to the policies upon which the incoming President was elected to office.

Third, because of the length of time between election day and the beginning of the new Presidential and congressional terms, so-called lame-duck sessions occur during which legislators vote on and shape legislation even though they have either chosen not to run for reelection or were just defeated at the polls for another term. Likewise, executive branch agencies and officials take actions which will have an effect far beyond the time when the outgoing administration leaves office. These lame-duck sessions are dangerous to the democratic process and an unnecessary opportunity for mischief within our system of government.

Finally, I believe the American people, having gone through a Presidential selection process that now extends for months, if not years, at a time, want to see their elected choice in office and implementing his or her proposed policies as soon as possible. There is no reason for the length of delay that we currently have between the election of our President and his or her assumption of office.

My joint resolution is quite simple. It proposes moving the inaugural date for the President from January 20 to December 10. To accomplish this, it is necessary to move the commencement of the terms of Members of Congress as well, as the House of Representatives plays a role in verifying the results of the electoral college and indeed may choose the President should a single candidate not have a majority of electoral votes. Therefore, my resolution would move the date for the commencement of congressional terms from January 3 to December 1. This would allow ample time for the members of the electoral college to meet and vote following the election and for the House of Representatives to carry out their role in the Presidential selection process.

My proposal for advancing the inauguration is not new. I first introduced similar legislation in 1981 and hearings were held on this issue in 1984. While the hearing record shows that testimony was largely in favor of moving the inaugural date, the proposal was never presented to the full Senate. I believe that the time is appropriate for consideration of this legislation once again given the heightened scrutiny afforded the Presidential selection process during this election year.

Indeed, this year's Presidential election looks as if it will be atypical in the sense that there is the very real possibility that a single candidate may not emerge from election day with the necessary electoral votes required to win the Presidency. I believe that the advancement of the inaugural date would be especially beneficial in such a scenario. Not only would the confusion over whom could authoritatively speak for the National Government be greater than normal, but the current 2½ month interval would provide enormous and perhaps irresistible potential for mischief and closed-door negotiations in the courting and lobbying of votes from the Members of the House of Representatives. A shorter transition period would reduce the opportunity in such a situation for the undesirable result of a President assuming power as the result of insider dealmaking.

Indeed, the unusual dynamics of this year's Presidential election has sparked renewed debate over other aspects of the process by which we choose our Chief Executive. Some have called for moving election day to a Saturday in an effort to increase voter participation and others have called for an abolishment of the current electoral college system and replacing it with a modified version of the electoral college or a direct popular vote. My resolution does not address these issues which are complex and steeped in politics. Rather, it would make a simple, straightforward, commonsense change in the Presidential transition process; one that would improve the system with few or no drawbacks. I sincerely hope that the Senate will give its full consideration to this joint resolution.

By Mr. SIMON:

S.J. Res. 323. Joint resolution designating October 30, 1992, as "Refugee Day"; to the Committee on the Judiciary.

REFUGEE DAY

• Mr. SIMON. Mr. President, I rise today to introduce a joint resolution to designate October 30, 1992, as "National Refugee Day." The United States has consistently been a leader in the world community to expand efforts to help the needy population of refugees. Furthermore, refugees and immigrants who have come to the United States have been great assets to the Nation. The resolution I introduce today honors the courage and determination of refugees throughout the world and their contributions to this society.

The current global climate requires that the United States continue to be a leader in refugee affairs. In the past decade, the plight of refugees worldwide has been worsening as the world refugee population has more than doubled, from 7.3 million to 16 million. The fall of the Soviet Union and the rise of new states present new challenges as well. The aftermath of the Persian Gulf war also contributes to the increase in the number of refugees worldwide. One-third of the refugee population is found in Africa where the host countries have the weakest infrastructure and are the least able to sustain such large numbers of destitute people in flight. At no time has strong leadership by the United States been more necessary.

The different cultural backgrounds that others bring to our shores provide an opportunity for cultural enrichment. We are a nation founded on the dreams and toils of immigrants, and immigrants continue to add to the vitality and diversity of America. Our Nation has served as a beacon to those who flee persecution, and it must remain so.

As a nation of immigrants, we possess a deep understanding of and sympathy for the plight of the 16 million refugees in the world. Obviously, we cannot admit them all, but we must continue our historic commitment to resettlement and regional assistance. We must not only assist those fleeing tyranny and persecution, but we must also work to overcome these conditions. This resolution commemorates the continuing struggles of refugees and the need for active leadership by the United States. I am pleased to sponsor this joint resolution, at the request of the Department of State, to set aside this one day, October 30, to honor the contributions that refugees make every day to America.•

ADDITIONAL COSPONSORS

S. 26

At the request of Mr. MOYNIHAN, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 26, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income the value of certain transportation furnished by an employer, and for other purposes.

S. 649

At the request of Mr. BREAUX, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 649, a bill to amend the Internal Revenue Code of 1986 to repeal the luxury tax on boats.

S. 1372

At the request of Mr. GORE, the names of the Senator from Virginia

[Mr. WARNER] and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 1372, a bill to amend the Federal Communications Act of 1934 to prevent the loss of existing spectrum to Amateur Radio Service.

S. 1451

At the request of Mr. BIDEN, the names of the Senator from Colorado [Mr. BROWN] and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 1451, a bill to provide for the minting of coins in commemoration of Benjamin Franklin and to enact a fire service bill of rights.

S. 2104

At the request of Mr. GRASSLEY, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 2104, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for physical assistance, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 2134

At the request of Mr. NUNN, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Oklahoma [Mr. BOREN], the Senator from Montana [Mr. BURNS], the Senator from North Dakota [Mr. BURDICK], the Senator from Nevada [Mr. BRYAN], the Senator from Illinois [Mr. DIXON], the Senator from Ohio [Mr. GLENN], and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 2134, a bill to provide for the minting of commemorative coins to support the 1996 Atlanta Centennial Olympic Games and the programs of the United States Olympic Committee.

S. 2244

At the request of Mr. THURMOND, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Maine [Mr. COHEN], the Senator from Oklahoma [Mr. BOREN], the Senator from Arizona [Mr. MCCAIN], the Senator from Florida [Mr. GRAHAM], the Senator from Vermont [Mr. JEFFORDS], the Senator from South Dakota [Mr. DASCHLE], and the Senator from Kansas [Mr. DOLE] were added as cosponsors of S. 2244, a bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict.

S. 2321

At the request of Mr. AKAKA, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 2321, a bill to increase the authorizations for the War in the Pacific National Historical Park, Guam, and the American Memorial Park, Saipan, and for other purposes.

S. 2387

At the request of Mr. SPECTER, his name was added as a cosponsor of S. 2387, a bill to make appropriations to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children [WIC] and of Head Start Programs, to expand the Job Corps Program, and for other purposes.

S. 2389

At the request of Mr. BRADLEY, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 2389, a bill to extend until January 1, 1999, the existing suspension of duty on Tamoxifen citrate.

S. 2553

At the request of Mr. INOUYE, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 2553, a bill to amend the Civil Liberties Act of 1988 to increase the authorization for the trust fund under the act, and for other purposes.

S. 2667

At the request of Mr. HEFLIN, the names of the Senator from California [Mr. SEYMOUR], and the Senator from Wyoming [Mr. WALLOP] were added as cosponsors of S. 2667, a bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the application of the act with respect to alternate uses of new animal drugs and new drugs intended for human use.

S. 2773

At the request of Mr. DANFORTH, the name of the Senator from California [Mr. SEYMOUR] was added as a cosponsor of S. 2773, a bill to amend the Internal Revenue Code of 1986 to extend certain expiring tax provisions, and for other purposes.

S. 2777

At the request of Mr. BRADLEY, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 2777, a bill to finance an educational exchange program with the independent states of the former Soviet Union and the Baltic States, to authorize the admission to the United States of certain scientists of the former Soviet Union and Baltic States as employment-based immigrants under the Immigration and Nationality Act, and for other purposes.

S. 2839

At the request of Mr. SHELBY, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2839, a bill to prohibit the transfer under foreign assistance or military sales programs of construction or fire equipment from Department of Defense stocks.

SENATE JOINT RESOLUTION 241

At the request of Mr. SPECTER, the names of the Senator from Minnesota [Mr. DURENBERGER], the Senator from South Carolina [Mr. THURMOND], the Senator from Ohio [Mr. METZENBAUM], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Hawaii [Mr. INOUYE], the Senator from Tennessee [Mr. GORE], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Michigan [Mr. LEVIN], the Senator from Utah [Mr. GARN], and the Senator from Indiana [Mr. COATS] were added as cosponsors of Senate Joint Resolution 241, designating October 1992 as "National Domestic Violence Awareness Month."

SENATE JOINT RESOLUTION 242

At the request of Mr. SPECTER, the names of the Senator from Connecticut [Mr. DODD], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Michigan [Mr. LEVIN], the Senator from Georgia [Mr. NUNN], and the Senator from Georgia [Mr. FOWLER] were added as cosponsors of Senate Joint Resolution 242, a joint resolution to designate the week of September 13, 1992, through September 19, 1992, as "National Rehabilitation Week."

SENATE JOINT RESOLUTION 262

At the request of Mr. KASTEN, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of Senate Joint Resolution 262, a joint resolution designating July 4, 1992, as "Buy American Day."

SENATE JOINT RESOLUTION 270

At the request of Mr. THURMOND, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of Senate Joint Resolution 270, a joint resolution to designate August 15, 1992, as "82d Airborne Division 50th Anniversary Recognition Day."

SENATE JOINT RESOLUTION 281

At the request of Mr. GRASSLEY, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of Senate Joint Resolution 281, a joint resolution designating the week of September 14 through September 20, 1992, as "National Small Independent Telephone Company Week."

SENATE JOINT RESOLUTION 287

At the request of Mr. SIMON, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from Michigan [Mr. RIEGLE], the Senator from Maryland [Mr. SARBANES], the Senator from Idaho [Mr. SYMMS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Iowa [Mr. GRASSLEY], and the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of Senate Joint Resolution 287, a joint resolution to designate the week of October 4, 1992, through October 10, 1992, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 301

At the request of Mr. LAUTENBERG, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of Senate Joint Resolution 301, a joint resolution designating July 2, 1992, as "National Literacy Day."

SENATE JOINT RESOLUTION 303

At the request of Mr. PELL, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of Senate Joint Resolution 303, a joint resolution to designate October 1992 as "Na-

tional Breast Cancer Awareness Month."

SENATE JOINT RESOLUTION 312

At the request of Mr. GORTON, the name of the Senator from Utah [Mr. GARN] was added as a cosponsor of Senate Joint Resolution 312, a joint resolution proposing an amendment to the Constitution to provide for a runoff election for the offices of the President and Vice President of the United States if no candidate receives a majority of the electoral college.

SENATE CONCURRENT RESOLUTION 126—RELATING TO EQUITABLE MENTAL HEALTH CARE BENEFITS

Mr. SHELBY (for himself, Mr. DOLE, and Mr. SIMON) proposed the following concurrent resolution; which was referred to the Committee on Labor and Human Resources:

S. CON. RES. 126

Whereas mental illness and substance abuse disorders are prevalent throughout our society;

Whereas approximately 19 percent of the adult population in the United States suffers from a diagnosable mental illness or a substance abuse disorder within any 6-month period;

Whereas mental illness and substance abuse disorders can strike at any point during a person's lifetime;

Whereas 12 percent of Americans under the age of 18, or approximately 7,500,000 children and adolescents, suffer from some type of mental illness or emotional disorder;

Whereas ⅘ of children in need of mental health care do not receive services, resulting in significant costs to society as these children become adults;

Whereas approximately ⅓ of homeless people suffer from a mental illness and approximately 40 percent of homeless people suffer from a substance abuse disorder;

Whereas there are more Americans with a serious mental illness in prisons and street shelters than in hospitals;

Whereas the incidence of mental illness and mental health problems is very costly both to the individual with a mental disorder and to society as a whole;

Whereas mental illness and substance abuse disorders are devastating to the lives of those afflicted, as there exists a direct and close relationship between mental health and overall well-being;

Whereas American businesses lose over $100,000,000,000 per year due to lost productivity of employees because of substance abuse and mental illness;

Whereas annual direct costs of treatment for mental illness and substance abuse disorders are estimated at $68,000,000,000 and annual indirect costs due to lost productivity, lost employment, vehicular accidents, criminal activity, and social welfare programs are estimated to be approximately $250,000,000,000;

Whereas significant progress has been made within the last 10 years in research into the causes and treatments of mental illnesses, and many such illnesses are now treatable;

Whereas 77 percent or more of clinically depressed people were significantly better after receiving psychotherapy than their counterparts who did not receive treatment;

Whereas pharmacologic intervention for schizophrenia and bipolar disorders can dramatically reduce the rehospitalization rate for those afflicted with these disorders, improving the ability of such individuals to live productively in the community;

Whereas the success rate for the treatment of panic disorders is between 70 percent and 90 percent;

Whereas significant numbers of persons with mental illness in the United States find it difficult, if not impossible, to secure needed health care;

Whereas only approximately 20 percent of those in need of mental health services actually receive them;

Whereas mental health care is treated differently from care for other health conditions in both public and private financing systems;

Whereas 99 percent of insured individuals and their families have private health coverage for some inpatient mental health treatment, but only 37 percent have coverage that is equivalent to their coverage for other illnesses;

Whereas many private insurance programs continue to discriminate against individuals who suffer from mental illness or substance abuse disorders;

Whereas public insurance programs continue to discriminate against individuals who suffer from mental illness or substance abuse disorders, as evidenced by the fact that the Medicare program has a 50 percent copayment requirement for mental health care services but only a 20 percent copayment requirement for all other services; and

Whereas businesses, consumers, and Federal and State governments are already paying for mental health care for the uninsured and underinsured in an inefficient and inequitable manner, resulting in much unnecessary pain and suffering for those afflicted with mental disorders as well for their families: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that any legislation passed by the Congress to address the ongoing and unmet health care needs of the American people must include benefits covering medically and psychologically necessary treatments for mental disorders which are equitable and comparable to benefits offered for any other illness.

Mr. SHELBY. Mr. President, you have heard the old saying; an ounce of prevention is worth a pound of cure. American businesses lose over $100 billion per year in lost productivity because of employee mental illnesses or substance abuse. Each year we spend in this country approximately $68 billion for the treatment of substance abuse and mental disorders. Yet, Mr. President, only 20 percent of the population in need of mental health services receive such treatments. This number includes the four-fifths of all children in need of such treatment who never receive it. The resulting cost to society of this untreated population in lost productivity, judicial and incarceration expenses, and social welfare expenditures is a staggering $250 billion.

Mr. President, there has been a tremendous volume of health care legislation introduced during this Congress. I believe that most Members of Congress, including myself, are committed to some form of national health care reform. However, when we consider such reforms, we should not neglect the very real problems and costs of mental illnesses. Both our private and public health care payment systems fail to treat mental disorders and substance abuse as substantial medical and societal problems. But if we in Congress are serious about addressing the gaps in our health care system and containing the costs of health care, then I believe that we must remember to address the deficiency of mental health treatment access. Preventative medicine lowers long-term health care costs. We all know that. Mental health treatment is no less a type of preventative medicine.

Certainly, Mr. President, wider access to such care under any national health care reform is essential for offsetting the overall cost to society of the neglect of mental health needs. To pay now for inpatient or outpatient treatment for a child suffering from a mental disorder is a small price to pay when compared to the cost of maintaining this child in prison when he reaches adulthood.

Presently, Mr. President, many private insurers require substantially higher deductibles for mental health services. Simultaneously, private insurers provide coverage for mental disorders at substantially lower levels than coverage levels for other illnesses. Only 37 percent of private insuranceholders have mental health coverage equal to their coverage for other health treatments.

Our public health insurance system rates mental illness at the same level of reduced concern as does our private insurance system. The Medicare copayment is 50 percent for mental health care services. This rate is 30 percent higher than the standard 20-percent copayment for other treatments.

Therefore, Mr. President, when we speak of an insurance gap, we cannot leave out the lack of access to mental health treatments. Approximately 19 percent of the adult population of this country suffers from a diagnosable mental illness or substance abuse problem within any 6-month period. Yet, only a fifth of these individuals receive treatment. If we consider that more Americans with mental illness are in street shelters or prisons than are in hospitals then, Mr. President, I believe we see the results of this gap in its starkest reality.

We cannot neglect this problem in the coming debate on health care. If we continue to view health care deficiencies solely in terms of traditional medical treatment categories, then we will miss an opportunity to spare our society, our people, the huge social expenditures that result from the failure to intercept and treat mental disorders.

For this reason, Mr. President, I am submitting a concurrent resolution

that expresses the sense of the Senate that the present gaps in mental health care coverage and access be addressed in any future health care legislation passed by Congress, and that such legislation treat mental illness as a condition comparable to other illnesses. If we address this problem now, we can reap untold savings in the future. I ask that my colleagues join me in support of this concurrent resolution.

AMENDMENTS SUBMITTED

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

FORD (AND OTHERS) AMENDMENT NO. 2441

Mr. FORD (for himself Mr. BUMPERS, Mr. DOLE, Mr. GRASSLEY, Mr. HARKIN, Mr. FOWLER, Mr. SIMON, Mr. DECONCINI, and Mr. KOHL) proposed an amendment to amendment No. 2437 (in the nature of a substitute) proposed by Mr. RIEGLE to the bill (S. 2733) to improve the regulation of Government-sponsored enterprises, as follows:

At the end of the amendment, add the following new section:

SEC. . MORATORIUM ON INTERSTATE BRANCHING BY SAVINGS ASSOCIATIONS.

(a) MORATORIUM.—Notwithstanding any other provision of law, no Federal savings association may establish or acquire a branch outside the State in which the Federal savings association has its home office, unless the establishment or acquisition of such branch would have been permitted by law prior to April 9, 1992.

(b) APPLICABILITY.—This section shall apply during the period beginning on the date of enactment of this Act and ending 15 months after such date.

WARNER AMENDMENT NO. 2442

Mr. WARNER proposed an amendment to amendment No. 2437 (in the nature of a substitute) proposed by Mr. RIEGLE to the bill S. 2733, supra, as follows:

At the appropriate place insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Truth in Tax Exempt Giving Act of 1992".

SEC. 2. PURPOSE.

The purpose of this Act is to require tax exempt organizations to provide contributors, upon request, with a disclosure statement containing a full accounting of the organization's income, expenditures, and compensation (including reimbursed expenses) of its highest-paid employees.

SEC. 3. IMPROVED DISCLOSURE TO DONORS BY TAX EXEMPT TABLE ORGANIZATIONS.

(a) IN GENERAL.—Section 6033 of the Internal Revenue Code of 1986 (relating to returns by exempt organizations) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) ADDITIONAL REQUIREMENT FOR TAX EXEMPT ORGANIZATIONS.—

"(1) IN GENERAL.—Every organization described in section 501(c)(3), other than religions, which is subject to the requirements of subsection (a) (other than an organization described in clause (ii) or (iii) of section 170(b)(1)(A)) shall—

"(A) advise each contributor of at least $25 of the availability, upon written request, of a disclosure statement described in paragraph (2), and

"(B) shall furnish such statement to such contributor within 30 days of such request.

"(2) DISCLOSURE STATEMENT.—The disclosure statement described in this paragraph is a statement for the most recent taxable year for which a return under subsection (a) has been filed, which contains the information described in—

"(A) paragraphs (1), (2), and (3) of subsection (b), and

"(B) paragraphs (6) and (7) of subsection (b), but only with respect to—

"(i) the 5 highest compensated individuals of the organization for such taxable year, and

"(ii) any other individual whose total compensation and other payments from such organization for such taxable year exceeds $100,000.

"(3) PROCESSING FEES.—Any organization furnishing a disclosure statement under this subsection may require that a reasonable fee to cover the actual costs of copying and mailing such statement be included in the written request for such statement."

"(b) PENALTY FOR FAILURE TO MEET REQUIREMENTS.—Paragraph (1) of section 6652(c) of the Internal Revenue Code of 1986 (relating to returns by exempt organizations and by certain trusts) is amended by adding at the end the following new subparagraph:

"(E) DISCLOSURE STATEMENT.—In the case of a failure to comply with the requirements of section 6033(e)(1) (relating to disclosure statements provided upon request), there shall be paid by the person failing to meet such requirements $100 for each day during which such failure continues."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1993.

BROWN AMENDMENT NO. 2443

Mr. BROWN proposed an amendment to amendment No. 2437 (in the nature of a substitute) proposed by Mr. RIEGLE to the bill S. 2733, supra, as follows:

On page 273, after line 20, amend section 1065 by adding the following language to the end of paragraph (f):

"The amendments made by this section shall become effective immediately upon the reauthorization of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.".

DOMENICI (AND OTHERS) AMENDMENT NO. 2444

Mr. DOMENICI (for himself, Mr. DOLE, Mr. SEYMOUR, and Mr. NICKLES) proposed an amendment to amendment No. 2437 (in the nature of a substitute) proposed by Mr. RIEGLE to the bill S. 2733, supra, as follows:

At the appropriate place insert the following:

SEC. —. NATIONAL ECONOMIC STRATEGY.

(a) It is the sense of the Congress that legislation should not be enacted that would:

(1) increase taxes on the American people and on small and large businesses over four years by at a minimum of $150 billion;

(2) increases taxes by an additional $10 billion on all businesses both small and large by imposing a 1.5-percent tax on their payroll for undefined training and education programs;

(3) increase spending for various and sundry domestic programs over the next four years by over $190 billion for loosely defined programs to "put America to work" and increase "lifetime learning";

(4) increase Federal spending by nearly $200 billion for health care programs and impose another $100 billion in taxes on employers to partially pay for this spending;

(5) provide for a child tax credit or a middle-income tax cut that would add another $45 billion to the deficit over the next four years or further increase taxes on businesses and other individuals;

(6) increase the Federal deficit and not achieve a balanced budget in this century;

(7) terminate only one Federal program (the honey price support program);

(8) reduce mandatory spending by less than one-half of one percent over the next four years;

(9) reduce defense obligational authority by $90 billion more than currently planned and in addition to the $220 billion of reductions already planned; and

(10) violate the 1990 Budget Enforcement Act provisions setting aggregate spending caps on discretionary programs and pay-as-you-go provisions for entitlement and revenue programs.

DOMENICI (AND OTHERS) AMENDMENT NO. 2445

Mr. DOMENICI (for himself, Mr. MITCHELL, and Mr. MURKOWSKI) proposed an amendment to amendment No. 2437 (in the nature of a substitute) proposed by Mr. RIEGLE to the bill S. 2733, supra, as follows:

At the appropriate place in the manager's amendment, insert the following new section:

"SEC. . STUDIES ON THE EFFECTIVENESS OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT.

"(a)(1) The Administrator of United States Environmental Protection Agency shall provide to the Senate Environment and Public Works Committee and the House Energy and Commerce Committee by December 31, 1992, a detailed report which provides information on each of the sites contained on the National Priorities List established under the Comprehensive Environmental Response Compensation and Liability Act. Such report shall be updated periodically as new information becomes available and shall, at a minimum, include the following information about each site:

"(A) Site name, number, state and total number of operable units;

"(B) Whether a removal action has occurred, and if so, whether it was fund-financed or PRP-financed;

"(C) Date proposed for CERCLIS investigation, preliminary assessment completed, site investigation completed, HRS completed, proposed for the National Priorities List; current stage in process; time-frame taken for (i) site investigation, (ii) remedial investigation, (iii) risk assessment, (iv) feasibility study, (v) record of decision, (vi) remedial design and (vii) other such significant actions identified by the Administrator; and whether long-term operation and maintenance is necessary;

"(D) Whether remedial action is underway, when it was commenced, and whether it has been completed and if so, when, and if not, when expected to be completed;

"(E) Number and names to the extent the President deems appropriate of PRP's at site, whether PRP is bankrupt or in bankruptcy proceedings and classification of each PRP as:

"(i) owner/operator;

"(ii) transporter;

"(iii) person that arranged for disposal or treatment;

"(iv) municipality;

"(v) state agency;

"(vi) lender or State or Federal lending agency; or

"(vi) Federal agency;

"(vii) any other entity; and

"(viii) that portion of the site that cannot be attributed to any potentially responsible party including dollar amount and volumetric share.

"(F) Site classification;

"(G) Whether the facility is still in operation;

"(H) Number of Records of Decision to be issued;

"(I) Description of elements of removal and/or remedial action.

"(J) Total actual dollar amount, both Fund and PRP costs, for (i) site study and investigation, (ii) transaction costs, (iii) initial removal or remedial action, (iv) operation and maintenance, and estimated cumulative and continuing costs for the final remedial action the agency is seeking or has been agreed to by settlement;

"(K) Whether there has been a settlement agreement, and if so, (i) percent of PRP's who settled, (ii) percent of costs covered, (iii) percent of settled costs for each PRP, compared to the percent of volume and of toxicity of waste for which each was responsible, (iv) percent of cost recovery achieved through deminimis settlements and the number of PRP's in that group, (v) the percent of costs paid for by the Fund, based on a mixed-funding determination, and (vi) the amount of money spent by the Fund, a State or by PRP's for RI/FS/ROD; RD/RA; and operation and maintenance.

"(L) Dollar amount of Remedial Investigation/Feasibility Study (RI/FS) settlement, compared to the total cost of (RI/FS);

"(M) Dollar amount of remedial action settlement, compared to the total cost of remedial action;

"(N) Description of settlement and enforcement activities;

"(O) Number of third party contribution actions that have been filed, including, but not limited to, actions to bring additional PRP's into cost-recovery and litigation involving insurance coverage; and

"(P) Identification and description of each site which has been cleaned up and removed from the National Priorities List.

"(2) The Administrator shall establish and maintain in a computer data base the information contained in the Report required under paragraph (1). The Administrator shall make these data accessible by computer telecommunication and other means to any person on a cost-reimbursable basis.

"(b) The General Accounting Office shall undertake a comprehensive review of relevant governmental and other studies assessing the effectiveness of such Act, and shall provide to the Congress by July 1, 1993, a Report in which an objective evaluation of each study is provided. Such report shall be updated every six months, as appropriate, to provide the Congress with an evaluation of any additional studies that have been issued.

"(C)(1) No later than September 30, 1993, the Administrator of EP, and in consultation with ATSDR, the National Academy of Sciences and the National Academy of Engineering, shall provide a report to the Congress which examines a statistically significant number of sites listed on the National Priorities List, which in no event shall be less than 40 sites. Such report shall discuss with respect to each site the present or future risks, based on actual exposure data or estimates, to human health and the environment presented by the site.

"(2) The report shall examine methods to (A) ensure that costs and effectiveness of remedial measures adopted for individual sites are reasonably appropriate to the risks presented by such sites; and (B) utilize the information identified in paragraph (1) in order to determine appropriate remedial action at individual sites.

"(3) The report shall examine the uses of each of the sites after a removal action or other interim action or a remedial action or any other response has been completed, taking into consideration the implications of Land use policy at such sites and the effect of post-clean-up liability on future uses.

"(4) The Administrator of the United States Environmental Protection Agency shall provide a reasonable opportunity for written comments on the report prior to its submission to the Congress. Such comments shall be included in the report as part of the submission to the Congress.".

DOMENICI (AND OTHERS) AMENDMENT NO. 2446

Mr. DOMENICI (for himself, Mr. DOLE, and Mr. SEYMOUR) proposed an amendment to the bill S. 2733, supra, as follows:

At the appropriate place insert the following:

"SEC. . NATIONAL ECONOMIC STRATEGY.

"(a) It is the sense of the Congress that legislation should not be enacted that would:

"(1) increase taxes on the American people and on small and large businesses over four years by at a minimum of $150 billion;

"(2) increase taxes by an additional $10 billion on all businesses both small and large by imposing a 1.5-percent tax on their payroll for undefined training and education programs;

"(3) increase spending for various and sundry domestic programs over the next four years by over $190 billion for loosely defined programs to "put America to work" and increase "lifetime learning";

"(4) increase Federal spending by nearly $200 billion for health care programs and impose another $100 billion in taxes on employers to partially pay for this spending;

"(5) provide for a child tax credit or a middle-income tax cut that would add another $45 billion to the deficit over the next four years or further increase taxes on businesses and other individuals;

"(6) increase the Federal deficit and not achieve a balanced budget in this century;

"(7) terminate only one Federal program (the honey price support program);

"(8) reduce mandatory spending by less than one-half of one percent over the next four years;

"(9) reduce defense obligational authority by $90 billion more than currently planned and in addition to the $220 billion of reductions already planned; and

"(10) violate the 1990 Budget Enforcement Act provisions setting aggregate spending caps on discretionary programs and pay-as-you-go provisions for entitlement and revenue programs.

NICKLES (AND OTHERS) AMENDMENT NO. 2447

Mr. SEYMOUR (for Mr. NICKLES, for himself, Mr. SEYMOUR, and Mr. GRAMM) proposed an amendment to the bill S. 2733, supra, as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"'ARTICLE —

"'SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"'SECTION 2. The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"'SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

"'SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"'SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"'SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"'SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principle.

"'SECTION 8. This article shall take effect beginning with fiscal year 1988 or with the second fiscal year beginning after its ratification, whichever is later.'".

BYRD AMENDMENT NO. 2448

Mr. BYRD proposed an amendment to amendment No. 2447 proposed by Mr. NICKLES (and others) to the bill S. 2733, supra, as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. FINDINGS.

The Senate finds that—

(1) the President's 1993 budget estimates that the deficit for fiscal year 1992 will be $449,125,000,000;

(2) the national debt as of June 18, 1992 was $3,835,251,000,000;

(3) it is estimated in the President's budget supplement for fiscal year 1993 that the national debt subject to the statutory limit will be—

(A) $4,513,229,000,000 for fiscal year 1993;
(B) $4,856,863,000,000 for fiscal year 1994;
(C) $5,201,542,000,000 for fiscal year 1995;
(D) $5,549,928,000,000 for fiscal year 1996; and
(E) $5,917,713,000,000 for fiscal year 1997;

(4) no President since 1980 has submitted a balanced budget for the budget year to Congress; and

(5) the President and the Congress must agree upon a plan to balance the budget in order to decrease the debt burden on current and future generations and provide a long-term sound economic structure for future generations.

SEC. 2. BALANCED BUDGET PLAN.

(a) PRESIDENT'S PLAN.—The President shall submit not later than September 2, 1992, a 5-year deficit reduction plan, using the economic and technical assumption contained in the President's 1993 budget, to balance the budget by September 30, 1998.

(b) ELEMENTS OF PLAN.—The Plan shall consist of—

(1) reductions in discretionary spending including domestic, defense, and international spending;

(2) reductions in, and controls on, entitlement and other mandatory spending; and

(3) increases in revenues.

BYRD AMENDMENT NO. 2449

Mr. BYRD proposed an amendment to amendment No. 2448 proposed by him to amendment No. 2447 proposed by Mr. NICKLES (and others to the bill S. 2733, supra, as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. FINDINGS.

The Senate finds that—

(1) the President's 1993 budget estimates that the deficit for fiscal year 1992 will be $449,125,000,000;

(2) the national debt as of June 18, 1992 was $3,835,251,000,000;

(3) it is estimated in the President's budget supplement for fiscal year 1993 that the national debt subject to the statutory limit will be—

(A) $4,513,229,000,000 for fiscal year 1993;
(B) $4,856,863,000,000 for fiscal year 1994;
(C) $5,201,542,000,000 for fiscal year 1995;
(D) $5,549,928,000,000 for fiscal year 1996; and
(E) $5,917,713,000,000 for fiscal year 1997;

(4) no President since 1980 has submitted a balanced budget for the budget year to Congress; and

(5) the President and the Congress must agree upon a plan to balance the budget in order to decrease the debt burden on current and future generations and provide a long-term sound economic structure for future generations.

SEC. 2. BALANCED BUDGET PLAN.

(a) PRESIDENT'S PLAN.—The President shall submit not later than September 1, 1992, a 5-year deficit reduction plan, using the economic and technical assumptions contained in the President's 1993 budget, to balance the budget by September 30, 1998.

(b) ELEMENTS OF PLAN.—The plan shall consist of—

(1) reductions in discretionary spending including domestic, defense, and international spending;

(2) reductions in, and controls on, entitlement and other mandatory spending; and

(3) increases in revenues.

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Federal Housing Enterprises Regulatory Reform Act of 1992".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Definitions.
Sec. 4. Effective date.

TITLE I—SUPERVISION AND REGULATION OF THE ENTERPRISES

Sec. 101. Establishment of the Office of Federal Housing Enterprise Oversight.
Sec. 102. Duties of Director.
Sec. 103. Authority of Director.
Sec. 104. Personnel.
Sec. 105. Funding.
Sec. 106. Information, records, and meetings.
Sec. 107. Regulations.
Sec. 108. Savings provision.
Sec. 109. Annual report of the Director.
Sec. 110. Financial reports and examinations.
Sec. 111. Equal opportunity in solicitation of contracts.
Sec. 112. Conforming amendment.
Sec. 113. Amendment to Department of Housing and Urban Development Act.
Sec. 114. Protection of confidential information.
Sec. 115. Limitation on subsequent employment.
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TITLE II—REQUIRED CAPITAL LEVELS FOR THE ENTERPRISES AND SPECIAL ENFORCEMENT POWERS

Sec. 201. Risk-based capital levels.
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Sec. 206. Changes in the classification of an enterprise in connection with a capital restoration plan.
Sec. 207. Mandatory appointment of conservator for critically undercapitalized enterprises.
Sec. 208. Capital restoration plans.
Sec. 209. Notice and hearing.
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Sec. 212. Capital.

TITLE III—ENFORCEMENT PROVISIONS

Sec. 301. Cease-and-desist proceedings.
Sec. 302. Temporary cease-and-desist orders.
Sec. 303. Hearings and judicial review.
Sec. 304. Jurisdiction and enforcement.
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Sec. 306. Notice under this title after separation from service.
Sec. 307. Private rights of action.
Sec. 308. Subpoena power.
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TITLE IV—CONSERVATORSHIP

Sec. 401. Appointment of conservator.
Sec. 402. Powers of a conservator.
Sec. 403. Termination of conservatorship.
Sec. 404. Liability protection.
Sec. 405. Enforcement of contracts.

TITLE V—HOUSING

Sec. 501. General authority.
Sec. 502. Low- and moderate-income housing goal.
Sec. 503. Special affordable housing goal.
Sec. 504. Central city, rural area, and other underserved areas housing goal.
Sec. 505. Other requirements.
Sec. 506. Monitoring compliance with housing goals.
Sec. 507. Data collection and reporting requirements for the enterprises.
Sec. 508. Annual report of the Director.
Sec. 509. Compliance.
Sec. 510. Advisory council.
Sec. 511. Geographic distribution.
Sec. 512. Multifamily mortgage activities.
Sec. 513. Board of Directors qualifications.
Sec. 514. Fair housing.
Sec. 515. Prohibition on public disclosure of proprietary information.

TITLE VI—CHARTER ACT AMENDMENTS

Sec. 601. Amendments to the Federal National Mortgage Association Charter Act.
Sec. 602. Amendments to the Federal Home Loan Mortgage Corporation Act.

TITLE VII—REGULATION OF FEDERAL HOME LOAN BANK SYSTEM

Sec. 701. Primacy of financial safety and soundness for Federal Housing Finance Board.
Sec. 702. Study regarding Federal Home Loan Bank System.
Sec. 703. Reports of Federal Home Loan Banks.
Sec. 704. Reports of Federal Home Loan Bank members.
Sec. 705. Full-time status of FHFB members.

TITLE VIII—STUDY OF NATIONAL CONSUMER COOPERATIVE BANK

Sec. 801. Study of National Consumer Cooperative Bank.

TITLE IX—MISCELLANEOUS

Subtitle A—Miscellaneous

Sec. 901. Privatization study.
Sec. 902. Housing assistance in Jefferson County, Texas.
Sec. 903. Applicability of shelter plus care.
Sec. 904. Adjustable rate mortgage caps.
Sec. 905. Community development authority of banks.

Subtitle B—Presidential Insurance Commission

Sec. 911. Short title.
Sec. 912. Findings.
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Sec. 914. Duties of the Commission.
Sec. 915. Membership and compensation.
Sec. 916. Powers of Commission.
Sec. 917. Staff of Commission; experts and consultants.
Sec. 918. Report.
Sec. 919. Termination.
Sec. 920. Authorization of appropriations.

Subtitle C—Secondary Market for Commercial Mortgage Loans

Sec. 921. Short title.
Sec. 922. Purpose.
Sec. 923. Findings.
Sec. 924. Study by the Treasury, CBO, and SEC.
Sec. 925. Report and study by the RTC.

SEC. 2. FINDINGS AND PURPOSES.

The Congress finds that—

(1) the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (as set forth in section 301 of the Federal National Mortgage Association Charter Act and section 301 of the Federal Home Loan Mortgage Corporation Act), and the Federal Home Loan Banks have important public purposes;

(2) because the continued ability of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation to accomplish their public purposes is important to providing housing in the United States and the health of the Nation's economy, more effective Federal regulation is needed to reduce the risk of failure of the enterprises;

(3) given their current operating procedures, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation pose a low financial risk to the Federal Government;

(4) the securities issued by such enterprises are not backed by the full faith and credit of the United States;

(5) the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation have an affirmative obligation to facilitate the financing of affordable housing for low- and moderate-income families in a manner consistent with their overall public purposes, while maintaining a strong financial condition and a reasonable economic return; and

(6) the Federal Home Loan Bank Act should be amended to emphasize that providing for financial safety and soundness is the primary mission of the Federal Housing Finance Board.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) AFFILIATE.—Except as provided by the Director, the term "affiliate" means any entity that controls, is controlled by, or is under common control with an enterprise.

(2) CAPITAL DISTRIBUTION.—

(A) IN GENERAL.—The term "capital distribution" means—

(i) a dividend or other distribution in cash or in kind made with respect to any shares of or other ownership interest in an enterprise, except a dividend consisting only of shares of the enterprise;

(ii) a payment made by an enterprise to repurchase, redeem, retire, or otherwise acquire any of its shares, including any extension of credit made to finance an acquisition by the enterprise of such shares; or

(iii) a transaction that the Director determines by order or regulation to be in substance the distribution of capital.

(B) EXCEPTION.—A payment made by an enterprise to repurchase its shares for the purpose of fulfilling an enterprise obligation under an employee stock ownership plan that is qualified under section 401 of the Internal Revenue Code shall not be considered a capital distribution.

(3) DIRECTOR.—The term "Director" means the Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development.

(4) ENTERPRISE.—The term "enterprise" means—

(A) the Federal National Mortgage Association and any affiliate thereof; and

(B) the Federal Home Loan Mortgage Corporation and any affiliate thereof.

(5) EXECUTIVE OFFICER.—The term "executive officer" means, with respect to an enterprise, the chairman of the board of directors, chief executive officer, chief financial officer, president, vice chairman, any executive vice president, and any senior vice president in charge of a principal business unit, division, or function.

(6) LOW INCOME.—The term "low income" means—

(A) in the case of owner-occupied units, income not in excess of 80 percent of area median income; or

(B) in the case of rental units, income not in excess of 80 percent of area median income, with adjustments for smaller and larger families, as determined by the Secretary.

(7) MODERATE INCOME.—The term "moderate income" means—

(A) in the case of owner-occupied units, income not in excess of area median income; or

(B) in the case of rental units, income not in excess of area median income, with adjustments for smaller and larger families, as determined by the Secretary.

(8) MORTGAGE PURCHASES.—The term "mortgage purchases" includes mortgages purchased for portfolio or securitization.

(9) NEW PROGRAM.—The term "new program" means any product or program for the purchasing, servicing, selling, lending on the security of, or otherwise dealing in, conventional mortgages that—

(A) is significantly different from products or programs that have been approved under this Act or that were approved or engaged in by an enterprise before the effective date of this Act, or

(B) represents an expansion, in terms of the dollar volume or number of mortgages or securities involved, of products or programs above limits expressly contained in any prior approval.

(10) OFFICE.—The term "Office" means the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development.

(11) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 4. EFFECTIVE DATE.

Except where otherwise specified, the effective date of this Act shall be the date of the initial appointment of the Director.

TITLE I—SUPERVISION AND REGULATION OF THE ENTERPRISES

SEC. 101. ESTABLISHMENT OF THE OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT.

(a) ESTABLISHMENT.—There is established in the Department of Housing and Urban Development an Office of Federal Housing Enterprise Oversight.

(b) DIRECTOR.—

(1) IN GENERAL.—The Office shall be under the management of a Director who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who—

(A) are citizens of the United States,

(B) have a demonstrated understanding of financial management or oversight, and

(C) have a demonstrated understanding of mortgage security markets and housing finance.

(2) LIMITATION.—An individual may not be appointed as Director if the individual has served as an executive officer or director of an enterprise at any time during the 18-month period preceding the nomination of such individual.

(3) COMPENSATION.—The Director shall be compensated as prescribed in section 5313 of title 5, United States Code.

(4) TERM.—The Director shall be appointed for a term of 5 years.

(5) VACANCY.—A vacancy in the position of Director shall be filled in the same manner as the original appointment.

(6) SERVICE AFTER THE END OF THE TERM.—A Director may serve after the expiration of the term for which the Director was appointed until a successor has been appointed.

(c) EFFECTIVE DATE.—Subsection (a) shall take effect on the date of enactment of this Act.

SEC. 102. DUTIES OF DIRECTOR.

(a) PRIMARY DUTY.—The primary duty of the Director shall be to ensure that the enterprises are adequately capitalized and operating safely in accordance with this Act and the charter Acts.

(b) OTHER DUTIES.—The Director shall also ensure that the enterprises carry out the public purposes of their respective charter Acts.

SEC. 103. AUTHORITY OF DIRECTOR.

(a) AUTHORITY EXCLUSIVE OF THE SECRETARY.—The Director is authorized, without the review or approval of the Secretary, to—

(1) issue regulations concerning the financial health and security of the enterprises, including the establishment of capital standards;

(2) develop and propose to the Secretary any other regulations necessary and proper to carry out this Act and ensure that the purposes of the charter Acts are accomplished;

(3) establish annual budgets, financial reports, and annual assessments for the costs of the Office;

(4) examine each enterprise's financial and operating condition;

(5) determine capital levels of the enterprises;

(6) undertake administrative and enforcement actions under this Act;

(7) appoint conservators for the enterprises;

(8) monitor and enforce compliance with housing goals under this Act;

(9) conduct research and financial analysis;

(10) submit annual and other reports required under this Act;

(11) perform such other functions as are necessary to carry out this Act and ensure that the purposes of the charter Acts are accomplished.

(b) AUTHORITY SUBJECT TO THE SECRETARY'S REVIEW.—Except as provided in subsection (a), the Director may issue any regulations necessary to carry out this Act and ensure that the purposes of the charter Acts are accomplished, including regulations—

(1) concerning the housing finance missions of the enterprises, including the affordable housing and other housing provisions under title V of this Act; and

(2) to establish and monitor compliance with fair lending requirements;

subject to the Secretary's review and approval.

(c) DELEGATION OF AUTHORITY.—The Director may delegate to employees of the Office any of the functions, powers, and duties of the Director, as the Director considers appropriate.

(d) INDEPENDENCE IN PROVIDING INFORMATION TO CONGRESS.—The Director is not required to obtain the prior approval, comment, or review of any officer or agency of the United States before submitting to the Congress any recommendations, testimony, or comments if such submissions include a statement indicating that the views expressed therein are those of the Director and do not necessarily represent the views of the Secretary or the President.

(e) APPROVAL OF NEW PROGRAMS.—

(1) IN GENERAL.—The introduction of a new program by an enterprise pursuant to its charter Act shall be subject to prior approval by both the Secretary and the Director, except as provided in paragraph (5).

(2) APPROVAL PROCEDURE.—Not later than 45 days after submission of the request for approval of a new program or notice under paragraph (5)(A), the Secretary and the Director shall approve the new program or transmit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report explaining why the new program has not been approved. The 45-day period may be extended for one additional 15-day period if the Secretary or the Director

requests additional information from the enterprise, but the 45-day period may not be extended for any other reason. If the Secretary and the Director fail to transmit the report within the 45-day period or 60-day period, as the case may be, the enterprise may proceed as if the new program had been approved.

(3) APPROVAL BY THE DIRECTOR.—

(A) IN GENERAL.—The Director shall approve a new program unless the Director determines that the program would risk significant deterioration of the financial condition of the enterprise.

(B) UNDERCAPITALIZED INSTITUTIONS.—If an enterprise is undercapitalized, the Director shall approve a new program only if the Director determines that the program will likely improve or not worsen the financial and capital condition of the enterprise.

(4) APPROVAL BY THE SECRETARY.—The Secretary shall approve a new program unless the Secretary determines that the program is not authorized by the relevant charter Act or would have a deleterious effect on housing finance.

(5) SPECIAL APPROVAL PROCEDURE FOR AN ADEQUATELY CAPITALIZED ENTERPRISE.—

(A) NOTICE.—If an adequately capitalized enterprise plans to introduce a new program, it shall submit a written notice to the Secretary and the Director.

(B) APPROVAL BY THE DIRECTOR.—A new program submitted by an enterprise in accordance with subparagraph (A) shall not be subject to approval by the Director.

(C) APPROVAL BY THE SECRETARY.—Within 20 business days after submission of the notice, the new program shall be deemed approved unless the Secretary determines that there is a substantial probability that the program is not authorized by the relevant charter Act or would have a deleterious effect on housing finance, in which case the Secretary shall inform the enterprise, by written notice, that the new program has not been approved under this paragraph, and the procedures of paragraph (2) shall apply.

(D) EFFECTIVE DATE.—This paragraph shall become effective on the date final regulations establishing the risk-based capital test are issued under section 201(e).

(E) TRANSITION PERIOD.—For the purposes of this paragraph, the capital classification of an enterprise shall be determined without regard to section 204(c).

(6) HEARING.—If the Secretary or the Director does not approve a new program, the Secretary or the Director, as the case may be, shall provide the enterprise with a timely opportunity to review and supplement the administrative record in an administrative hearing.

SEC. 104. PERSONNEL.

(a) IN GENERAL.—

(1) DIRECTOR'S POWERS.—The Director may appoint and fix the compensation of employees and agents necessary to carry out the functions of the Director and the Office.

(2) COMPENSATION.—

(A) EXCLUSION FROM GENERAL SCHEDULE PAY RATES.—Employees other than the Director may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates.

(B) COMPARABILITY OF COMPENSATION WITH FEDERAL BANK REGULATORY AGENCIES.—In fixing and directing compensation under paragraph (1), the Director shall consult with, and maintain comparability with compensation at, the Federal bank regulatory agencies.

(b) DEPUTY DIRECTOR.—

(1) IN GENERAL.—The Office shall have a Deputy Director who shall be appointed by the Director from among individuals who—

(A) are citizens of the United States,

(B) have a demonstrated understanding of financial management or oversight, and

(C) have a demonstrated understanding of mortgage security markets and housing finance.

(2) LIMITATION.—An individual may not be appointed as Deputy Director if the individual has served as an executive officer or director of an enterprise at any time during the 18-month period immediately preceding the nomination of such individual.

(3) POWERS, FUNCTIONS, AND DUTIES.—The Deputy Director shall—

(A) have such powers, functions, and duties as the Director shall prescribe, and

(B) serve as acting Director in the event of the death, resignation, sickness, or absence of the Director, until the return of the Director or the appointment of a successor under section 101.

(c) FEDERAL AGENCIES.—

(1) IN GENERAL.—With the consent of any executive agency, independent agency, or department, the Director may use information, services, staff, and facilities of such agency or department on a reimbursable basis, in carrying out the duties of the Office.

(2) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—The Director shall reimburse the Department of Housing and Urban Development for reasonable costs incurred by the Department that are directly related to the operations of the Office.

(d) OUTSIDE EXPERTS AND CONSULTANTS.—Notwithstanding any provision of law limiting pay or compensation, the Director may appoint and compensate such outside experts and consultants as the Director determines necessary to assist the work of the Office.

(e) EQUAL OPPORTUNITY REPORT.—Not later than 180 days after the effective date of this Act, the Director shall submit to the Congress a report containing—

(1) a complete description of the equal opportunity, affirmative action, and minority business enterprise utilization programs of the Office; and

(2) such recommendations for administrative and legislative action as the Director may determine to be appropriate to carry out such programs.

SEC. 105. FUNDING.

(a) ANNUAL ASSESSMENT.—The Director shall levy an annual assessment on the enterprises sufficient to pay for the estimated expenses of the Office.

(b) ALLOCATION OF ANNUAL ASSESSMENT TO THE ENTERPRISES.—

(1) AMOUNT OF PAYMENT.—Each enterprise shall pay to the Director a proportion of the annual assessment made pursuant to subsection (a) that bears the same ratio to the total annual assessment that the total assets of each enterprise bears to the total assets of both enterprises.

(2) TIMING OF PAYMENT.—The annual assessment shall be payable semiannually on September 1 and March 1 of each year.

(3) DEFINITION.—For the purpose of this section, the term "total assets" means the sum of—

(A) on-balance-sheet assets of the enterprise, as determined in accordance with generally accepted accounting principles;

(B) the unpaid principal balance of outstanding mortgage backed securities issued or guaranteed by the enterprise that are not included in subparagraph (A); and

(C) other off-balance-sheet obligations as determined by the Director.

(c) RECEIPTS FROM ANNUAL ASSESSMENTS AND THE SPECIAL ASSESSMENT.—Office receipts derived from the annual assessments and the special assessment levied upon the enterprises pursuant to subsection (f)—

(1) shall be available to the Director for expenses necessary to carry out the responsibilities of the Director relating to the enterprises;

(2) shall be used by the Director to pay the expenses necessary to carry out the responsibilities of the Director relating to the enterprises; and

(d) DEFICIENCIES DUE TO INCREASED COSTS OF REGULATION AND ENFORCEMENT.—The semiannual payments made pursuant to subsection (b) by any enterprise that is not adequately capitalized may be increased, as necessary, in the discretion of the Director to pay additional estimated costs of regulation and enforcement.

(e) SURPLUS.—If any amount paid by an enterprise remains unspent at the end of any semiannual period, such amount shall be deducted from the annual assessment required to be paid by that enterprise for the following semiannual period.

(f) INITIAL SPECIAL ASSESSMENT.—The Director shall levy on the enterprises an initial special assessment, allocated pursuant to subsection (b)(1), to cover the startup costs of the Office, including space modifications, capital equipment, supplies, recruitment, and activities of the Office in the first year. Each enterprise shall pay its portion of the initial special assessment no later than 10 days after the date the assessment is made.

(g) BUDGET AND FINANCIAL REPORTS FOR THE OFFICE.—

(1) FINANCIAL OPERATING PLANS AND FORECASTS.—Before the beginning of each fiscal year, the Director shall provide to the Secretary and the Director of the Office of Management and Budget a copy of the Office's financial operating plans and forecasts.

(2) REPORTS OF OPERATIONS.—As soon as practicable after the end of each fiscal year and each quarter, the Director shall submit to the Secretary and the Director of the Office of Management and Budget a copy of the report of the results of the Office's operations during such period.

(3) VIEWS OF THE SECRETARY.—On an annual basis the Secretary shall provide the Congress with comments on the plans, forecasts, and reports required under this subsection.

(4) INCLUSION IN THE PRESIDENT'S BUDGET.—The annual plans, forecasts, and reports required under this subsection shall be included in the Budget of the United States in the appropriate form, and in the Department's congressional justifications for each fiscal year in a form determined by the Secretary.

(5) AUDIT.—

(A) IN GENERAL.—The Comptroller General shall audit the operations of the Office in accordance with generally accepted Government auditing standards. All books, records, accounts, reports, files, and property belonging to or used by the Office shall be made available to the Comptroller General.

(B) FREQUENCY.—Audits shall be conducted annually for the first 2 years following the effective date of this Act and as appropriate thereafter.

SEC. 106. INFORMATION, RECORDS, AND MEETINGS.

For purposes of subchapter II of chapter 5 of title 5, United States Code, the Office and the Department of Housing and Urban Development shall, with respect to activities under this Act, be considered agencies re-

sponsible for the regulation or supervision of financial institutions.

SEC. 107. REGULATIONS.

In promulgating regulations relating to the financial health and security of an enterprise, the Director shall—

(1) consult in the development of such regulations with the Secretary, the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System; and

(2) provide copies of proposed regulations to the Secretary, the Secretary of the Treasury, and the Chairman of the Board of Governors of the Federal Reserve System for their review and comment, which comments shall be in writing and made a part of the record.

SEC. 108. SAVINGS PROVISION.

Any rule or regulation promulgated prior to the effective date of this Act by the Secretary pursuant to the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act shall remain valid unless they are modified, terminated, superseded, set aside, or revoked by operation of law or in accordance with law.

SEC. 109. ANNUAL REPORT OF THE DIRECTOR.

Not later than June 15 of each year, the Director shall submit to the Secretary and to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a written report which shall include—

(1) a description of the actions taken, and being undertaken, by the Director to carry out this Act;

(2) a description of the financial condition of each enterprise, including the results and conclusions of the annual examinations of the enterprises;

(3) an assessment, in accordance with section 508, of the extent to which each enterprise is achieving its public purposes; and

(4) any recommendations for legislation.

SEC. 110. FINANCIAL REPORTS AND EXAMINATIONS.

(a) FINANCIAL REPORTS.—

(1) IN GENERAL.—Each enterprise shall provide to the Director annual and quarterly reports of financial condition and operations which shall be in such form, contain such information, and be made on such dates, as the Director may require.

(2) CONTENTS OF ANNUAL REPORT.—Each annual report shall include—

(A) financial statements prepared in accordance with generally accepted accounting principles;

(B) any supplemental information or alternative presentation that the Director may require; and

(C) a report signed by the enterprise's chief executive officer and chief accounting or financial officer, that assesses, as of the end of the enterprise's most recent fiscal year—

(i) the effectiveness of the enterprise's internal control structure and procedures; and

(ii) the enterprise's compliance with designated safety and soundness laws.

(3) ANNUAL INDEPENDENT AUDITS OF FINANCIAL STATEMENTS.—

(A) AUDITS REQUIRED.—Each enterprise shall have an annual independent audit made of its financial statements by an independent public accountant in accordance with generally accepted auditing standards.

(B) SCOPE OF AUDIT.—In conducting an audit under this subsection, an independent public accountant shall determine and report on whether the financial statements—

(i) are presented fairly in accordance with generally accepted accounting principles; and

(ii) to the extent determined necessary by the Director, comply with such other disclosure requirements as may be imposed under paragraph (2)(B).

(4) CERTIFICATION OF QUARTERLY REPORTS.—

(A) DECLARATION.—Quarterly reports shall contain a declaration by an officer designated by the board of directors of the enterprise to make such declaration that the report is true and correct to the best of his or her knowledge and belief.

(B) ATTESTATION.—The correctness of the quarterly report shall be attested by the signatures of at least 3 of the directors of the enterprise other than the officer making the declaration required by paragraph (4)(A). Such attestation shall include a declaration that the report has been examined by them and to the best of their knowledge and belief is true and correct.

(5) REVIEW OF AUDITS.—The Director, or at the request of the Director or any Member of Congress, the Comptroller General of the United States, may review any audit of a financial statement conducted under this subsection. Upon request of the Director or the Comptroller General, an enterprise and its auditor shall provide all books, accounts, financial records, reports, files, workpapers, and property that the Director or the Comptroller General considers necessary to the performance of any review under this subsection.

(6) ADDITIONAL AND SPECIAL REPORTS.—The Director may require additional reports from an enterprise, in such form and containing such information as the Director may prescribe, on dates fixed by the Director, and may require special reports from an enterprise whenever, in the Director's judgment, such reports are necessary for the Director to carry out the purposes of this Act.

(b) EXAMINATIONS.—

(1) FREQUENCY OF EXAMINATIONS.—The Director shall conduct a full-scope, on-site examination of each enterprise whenever the Director determines that an examination is necessary, but not less than once every 12 months, to determine the condition of the enterprise and for the purpose of ensuring its financial health and security.

(2) EXAMINERS.—The Director is authorized to contract with any Federal banking agency for the services of examiners and to reimburse such agency for the cost of providing the examiners.

(3) TECHNICAL EXPERTS.—The Director is authorized to contract for the services of such technical experts as the Director determines necessary and appropriate to provide temporary or periodic technical assistance in an examination.

(4) POWER AND DUTY OF EXAMINERS.—Each examiner shall make a full and detailed report to the Director of the financial condition of the enterprise examined.

(5) LAW APPLICABLE TO EXAMINERS.—The Director and each examiner shall have the same authority and each examiner shall be subject to the same obligations and penalties as are applicable to examiners employed by the Federal Reserve banks.

(6) ADMINISTRATION OF OATHS AND AFFIRMATIONS; EVIDENCE; SUBPOENA POWERS.—In connection with any investigation, examination of an enterprise, or administrative proceeding, the Director shall have the authorities conferred by section 308.

(7) PRESERVATION OF RECORDS BY PHOTOGRAPHY.—

(A) IN GENERAL.—The Director may cause any record, paper, or document to be copied or photographed, in a manner that complies with the minimum standards of quality approved for permanent photographic records by the National Institute of Standards and Technology.

(B) DEEMED AS ORIGINALS.—Such copies or photographs, shall be deemed to be an original record for all purposes, including introduction in evidence in all State and Federal courts or administrative agencies.

(C) PRESERVATION.—Any such photograph or copy shall be preserved as the Director shall prescribe, and the original may be destroyed.

SEC. 111. EQUAL OPPORTUNITY IN SOLICITATION OF CONTRACTS.

(a) IN GENERAL.—The enterprises shall establish a minority outreach program to ensure inclusion, to the maximum extent possible, of minorities and women and businesses owned by minorities and women, including financial institutions, investment banking firms, underwriters, accountants, brokers, and providers of legal services, in contracts entered into by the enterprises with such persons or business, public and private, in order to perform the functions authorized under any law applicable to the enterprises.

(b) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, each enterprise shall submit to the Congress and to the Director a report describing the actions taken by the enterprise pursuant to subsection (a).

SEC. 112. CONFORMING AMENDMENT.

Section 5313 of title 5, United States Code, is amended by inserting at the end the following:

"Director of the Office of Federal Housing Enterprise Oversight.".

SEC. 113. AMENDMENT TO DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT.

Section 5 of the Department of Housing and Urban Development Act (42 U.S.C. 3534) is amended by adding at the end the following new subsection:

"(d) Notwithstanding any other provision of this Act, the Secretary may not merge or consolidate the Office of Federal Housing Enterprise Oversight of the Department, or any of the functions or responsibilities of such Office with any function or program administered by the Secretary.".

SEC. 114. PROTECTION OF CONFIDENTIAL INFORMATION.

Section 1905 of title 18, United States Code, is amended by inserting "a consultant to the Office of Federal Housing Enterprise Oversight," after "or agency thereof,".

SEC. 115. LIMITATION ON SUBSEQUENT EMPLOYMENT.

(a) IN GENERAL.—Neither the Director nor a former officer or employee of the Office may accept compensation from an enterprise during the 2-year period beginning on the date of separation from employment by the Office.

(b) APPLICABILITY.—The limitation contained in subsection (a) applies only to any former officer or employee who, while employed by the Office, was compensated at a rate in excess of the lowest rate for a position classified higher than GS–15 of the General Schedule under section 5107 of title 5, United States Code.

SEC. 116. PROTECTING TAXPAYERS AGAINST LIABILITY FOR THE ENTERPRISES.

Nothing in this Act shall be construed as obligating the Federal Government, either directly or indirectly, to provide any funds to the Federal Home Loan Mortgage Corporation or the Federal National Mortgage

Association, or to honor, reimburse, or otherwise guarantee any obligation or liability of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, and nothing in this Act shall be construed as implying that either enterprise or its securities are backed by the full faith and credit of the United States.

SEC. 117. ANNUAL LITIGATION REPORT.

Not later than March 15 of each year, the Attorney General shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a written report which shall set forth for the preceding calendar year the number of requests by the Director to the Attorney General to conduct litigation pursuant to section 516 of title 28 of the United States Code and the status thereof, including—

(1) the total number of requests by the Director;

(2) the number of requests that resulted in the commencement of litigation by the Department of Justice;

(3) the number of requests that did not result in the commencement of litigation by the Department of Justice;

(4) with respect to those requests that resulted in the commencement of litigation—

(A) the number of days between the date of the Director's request and the commencement of the litigation; and

(B) the number of days between the date of the commencement and termination of the litigation;

(5) with respect to those requests that did not result in the commencement of litigation, a list of principal reasons thereof and the number of requests for which each reason is applicable; and

(6) a reconciliation showing the number of litigation requests pending at the beginning of the calendar year, the number of requests made during the calendar year, the number of requests for which action was completed during the calendar year, and the number of requests pending at the end of the calendar year.

SEC. 118. PROHIBITING EXCESSIVE COMPENSATION.

(a) IN GENERAL.—The Director shall prohibit an enterprise from providing excessive compensation to any executive officer.

(b) SETTING COMPENSATION PROHIBITED.—In carrying out subsection (a), the Director shall not set a specific level or range of compensation.

(c) DEFINITIONS.—For purposes of this section:

(1) COMPENSATION.—

(A) IN GENERAL.—The term "compensation" includes any payment of money or provision of any other thing of value in consideration of employment.

(B) FUTURE PAYMENT OR PROVISION.—The Director shall value any future payment or provision (including any payment or provision relating to the termination of employment) by calculating the present value of the projected cost of the payment or provision.

(2) EXCESSIVE.—An executive officer's compensation is "excessive" if it is unreasonable or disproportionate to the services actually performed by the executive officer, in view of—

(A) the enterprise's financial condition, including the extent to which the enterprise exceeds or falls below its minimum capital level;

(B) compensation practices at comparable publicly held financial institutions;

(C) any fraudulent act or omission, breach of fiduciary duty, or insider abuse by the executive officer with regard to the enterprise; and

(D) other factors that the Director determines to be relevant.

TITLE II—REQUIRED CAPITAL LEVELS FOR THE ENTERPRISES AND SPECIAL ENFORCEMENT POWERS

SEC. 201. RISK-BASED CAPITAL LEVELS.

(a) RISK-BASED CAPITAL TEST.—The Director shall, by regulation, establish a risk-based capital test which shall require each enterprise to maintain positive capital during a 10-year period (the "stress period") in which the following circumstances are assumed to occur:

(1) CREDIT RISK.—With respect to mortgages owned or guaranteed by the enterprise and other obligations of the enterprise, losses occur throughout the United States at a rate of default and severity (based on any measurements of default reasonably related to prevailing practice for the industry in determining capital adequacy) reasonably related to the rate and severity that occurred in contiguous areas of the United States containing not less than 5 percent of the total population of the United States that, for a period of not less than 2 years (the "benchmark regional experience"), experienced the highest rates of default and severity of mortgage losses, in comparison with such rates of default and severity of mortgage losses in other such areas for any period of such duration, as determined by the Director.

(2) INTEREST RATE RISK.—

(A) IN GENERAL.—Interest rates decrease as described in subparagraph (B) or increase as described in subparagraph (C), whichever would require more capital for the enterprise.

(B) DECREASES.—The 10-year constant maturity Treasury yield decreases during the first year of the stress period and will remain at the new level for the remainder of the stress period. The yield decreases to the lesser of—

(i) 600 basis points below the average yield during the preceding 9 months, or

(ii) 60 percent of the average yield during the preceding 3 years,

but in no case to a yield less than 50 percent of the average yield during the preceding 9 months.

(C) INCREASES.—The 10-year constant maturity Treasury yield increases during the first year of the stress period and will remain at the new level for the remainder of the stress period. The yield increases to the greater of—

(i) 600 basis points above the average yield during the preceding 9 months, or

(ii) 160 percent of the average yield during the preceding 3 years,

but in no case to a yield greater than 175 percent of the average yield during the preceding 9 months.

(D) DIFFERENT TERMS TO MATURITY.—Yields of Treasury instruments with other terms to maturity will change relative to the 10-year yield in patterns and for durations that are within the range of historical experience and are judged reasonable by the Director but must result by the 5th year of the stress period in patterns of yields with respect to maturities that are consistent with average patterns over periods of not less than 2 years as established by the Director.

(E) LARGE INCREASES IN YIELDS.—If the 10-year constant maturity Treasury yield is assumed to increase by more than 50 percent over the average yield during the preceding 9 months, the Director shall adjust the losses in paragraphs (1) and (3) to reflect a correspondingly higher rate of general price inflation.

(3) NEW BUSINESS.—

(A) IN GENERAL.—Any contractual commitments of the enterprise to purchase mortgages or issue securities will be fulfilled. The characteristics of resulting mortgage purchases, securities issued, and other financing will be consistent with the contractual terms of such commitments, recent experience, and the economic characteristics of the stress period. No other purchases of mortgages shall be assumed, except as provided in subparagraph (B).

(B) ADDITIONAL NEW BUSINESS.—The Director may, after consideration of each of the studies required by subparagraph (C), assume that the enterprise conducts additional new business during the stress period consistent with the following—

(i) AMOUNT AND PRODUCT TYPES.—The amount and types of mortgages purchased and their financing will be reasonably related to recent experience and the economic characteristics of the stress period.

(ii) LOSSES.—Default and loss severity characteristics of mortgages purchased will be reasonably related to historical experience.

(iii) PRICING.—Prices charged by the enterprise in purchasing new mortgages will be reasonably related to recent experience and the economic characteristics of the stress period. The Director may assume that a reasonable period of time would lapse before the enterprise would recognize and react to the characteristics of the stress period.

(iv) INTEREST RATE RISK.—Interest rate risk on new mortgages purchased will occur to an extent reasonably related to historical experience.

(v) RESERVES.—The enterprise must maintain reserves during and at the end of the stress period on new business conducted during the first 5 years of the stress period reasonably related to the expected future losses on such business, consistent with generally accepted accounting principles and industry accounting practice.

(C) STUDIES.—Within 1 year after regulations are first issued under subsection (e), the Director, the Director of the Congressional Budget Office, and the Comptroller General of the United States shall each submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a study of the advisability and appropriate form of any new business assumptions under subparagraph (B).

(D) EFFECTIVE DATE.—The provisions of subparagraph (B) shall become effective 4 years after regulations are first issued under section 201(e).

(4) OTHER ACTIVITIES.—Losses or gains on other activities, including interest rate and foreign exchange hedging activities, shall be determined by the Director, on the basis of available information, to be consistent with the stress period.

(b) CONSIDERATIONS.—

(1) IN GENERAL.—In establishing the risk-based capital test under subsection (a), the Director shall take into account appropriate distinctions among types of mortgage products, differences in seasoning of mortgages, and any other factors the Director considers appropriate.

(2) CONSISTENCY.—Characteristics of the stress period other than those specifically set forth in subsection (a), such as prepayment experience and dividend policies, will be those determined by the Director, on the

basis of available information, to be most consistent with the stress period.

(c) RISK-BASED CAPITAL LEVEL.—For purposes of this title, the risk-based capital level for an enterprise shall be 130 percent of the amount of capital required to meet the risk-based capital test.

(d) DEFINITIONS.—For purposes of this section:

(1) SEASONING.—The term "seasoning" means the change over time in the ratio of the unpaid principal balance of a mortgage to the value of the property by which such mortgage loan is secured, determined on an annual basis by region, in accordance with the Constant Quality Home Price Index published by the Secretary of Commerce (or any index of comparable or superior quality).

(2) TYPE OF MORTGAGE PRODUCT.—The term "type of mortgage product" means a classification of 1 or more mortgage products, as established by the Director, that have similar characteristics based on the set of characteristics set forth in the following subparagraphs:

(A) The property securing the mortgage is—

(i) a residential property consisting of 1 to 4 dwelling units; or

(ii) a residential property consisting of more than 4 dwelling units.

(B) The interest rate on the mortgage is—

(i) fixed; or

(ii) adjustable.

(C) The priority of the lien securing the mortgage is—

(i) first; or

(ii) second or other.

(D) The term of the mortgage is—

(i) 1 to 15 years;

(ii) 16 to 30 years; or

(iii) more than 30 years.

(E) The owner of the property is—

(i) an owner-occupant; or

(ii) an investor.

(F) The unpaid principal balance of the mortgage—

(i) will amortize completely over the term of the mortgage and will not increase significantly at any time during the term of the mortgage;

(ii) will not amortize completely over the term of the mortgage and will not increase significantly at any time during the term of the mortgage; or

(iii) may increase significantly at some time during the term of the mortgage.

(G) Any other characteristics of the mortgage, as the Director may determine.

(e) REGULATIONS.—

(1) IN GENERAL.—The Director shall issue final regulations establishing the risk-based capital test not later than 18 months after the effective date of this Act. Such regulations shall be effective when issued.

(2) CONTENTS.—Such regulations shall contain specific requirements, definitions, methods, variables, and parameters used under the risk-based capital test and in implementing the test (such as loan loss severity, float income, loan-to-value ratios, taxes, yield curve slopes, default experience, and prepayment rates).

(3) APPLICATION.—The regulations and any accompanying orders or guidelines shall be sufficiently specific to enable each enterprise to apply the test to that enterprise in the same manner as the Director, and to enable the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Director of the Congressional Budget Office, the Comptroller General of the United States, the Director of the Office of Management and Budget, or a consultant to the Office to apply the test in the same manner as the Director.

(4) CONFIDENTIALITY OF INFORMATION.—Any person or agency described in paragraph (3) that receives any book, record, or information from the Director or an enterprise to enable the risk-based capital test to be applied shall—

(A) maintain the confidentiality of the book, record, or information in a manner that is generally consistent with the level of confidentiality established for the material by the Director or the enterprise; and

(B) be exempt from section 552 of title 5, United States Code, with respect to the book, record, or information.

(f) AVAILABILITY OF MODEL.—The Director shall make available to the public copies of any statistical model used to implement the risk-based capital test under this section. The Director may charge a reasonable fee for any copy of a statistical model.

SEC. 202. MINIMUM CAPITAL LEVELS.

(a) IN GENERAL.—The minimum capital level for each enterprise shall be the sum of—

(1) 2.50 percent of the aggregate on-balance-sheet assets of the enterprise, as determined in accordance with generally accepted accounting principles;

(2) 0.45 percent of the unpaid principal balance of outstanding mortgage-backed securities and substantially equivalent instruments issued or guaranteed by the enterprise that are not included in paragraph (1); and

(3) those percentages of off-balance-sheet obligations not included in paragraph (2) (excluding commitments with remaining terms of no more than 6 months to purchase mortgages or issue securities), that the Director determines best reflect the credit risk of such obligations or guarantees in relation to those included in paragraph (2).

(b) TRANSITION.—Notwithstanding subsection (a), until the expiration of the 18-month period beginning on the date of enactment of this Act, the minimum capital level for each enterprise shall be the sum of—

(1) 2.25 percent of the aggregate on-balance-sheet assets of the enterprise, as determined in accordance with generally accepted accounting principles;

(2) 0.40 percent of the unpaid principal balance of outstanding mortgage-backed securities and substantially equivalent instruments issued or guaranteed by the enterprise that are not included in paragraph (1); and

(3) those percentages of off-balance-sheet obligations not included in paragraph (2) (excluding commitments with remaining terms of no more than 1 year to purchase mortgages or issue securities), that the Director determines best reflect the credit risk of such obligations or guarantees in relation to those included in paragraph (2).

SEC. 203. CRITICAL CAPITAL LEVELS.

The critical capital level for each enterprise shall be the sum of—

(1) 1.25 percent of the aggregate on-balance-sheet assets of the enterprise, as determined in accordance with generally accepted accounting principles;

(2) 0.25 percent of the unpaid principal balance of outstanding mortgage-backed securities and substantially equivalent instruments issued or guaranteed by the enterprise that are not included in paragraph (1); and

(3) those percentages of off-balance-sheet obligations not included in paragraph (2) (excluding commitments with remaining terms of no more than 6 months to purchase mortgages or issue securities), that the Director determines best reflect the credit risk of such obligations or guarantees in relation to those included in paragraph (2).

SEC. 204. CAPITAL CLASSIFICATIONS.

(a) IN GENERAL.—The Director shall classify an enterprise according to the following categories:

(1) ADEQUATELY CAPITALIZED.—An enterprise shall be classified as "adequately capitalized" if the enterprise meets or exceeds both its risk-based capital level and its minimum capital level.

(2) UNDERCAPITALIZED.—An enterprise shall be classified as "undercapitalized" if it is not adequately capitalized.

(3) SIGNIFICANTLY UNDERCAPITALIZED.—An enterprise shall be classified as "significantly undercapitalized" if the enterprise does not meet or exceed its minimum capital level.

(4) CRITICALLY UNDERCAPITALIZED.—An enterprise shall be classified as "critically undercapitalized" if it does not meet its critical capital level.

(b) QUARTERLY CLASSIFICATION.—The Director shall classify an enterprise not less than quarterly. The first such classification shall be made within 3 months after the effective date of this Act.

(c) IMPLEMENTATION.—Notwithstanding subsection (a), an enterprise shall be classified as adequately capitalized until 1 year after the regulations are first issued under section 201(e), if the enterprise meets or exceeds the applicable minimum capital level.

SEC. 205. SUPERVISORY ACTIONS APPLICABLE TO ENTERPRISES.

(a) SUPERVISORY ACTIONS APPLICABLE TO UNDERCAPITALIZED ENTERPRISES.—

(1) CAPITAL RESTORATION PLAN.—An undercapitalized enterprise shall submit to the Director and implement a capital restoration plan.

(2) RESTRICTION ON CAPITAL DISTRIBUTIONS.—An undercapitalized enterprise that is not significantly undercapitalized shall make no capital distribution that would result in the enterprise being classified as significantly undercapitalized.

(b) ADDITIONAL SUPERVISORY ACTIONS APPLICABLE TO SIGNIFICANTLY UNDERCAPITALIZED ENTERPRISES.—

(1) RESTRICTIONS ON CAPITAL DISTRIBUTIONS.—

(A) PRIOR APPROVAL.—A significantly undercapitalized enterprise shall make no capital distribution that would result in the enterprise being classified as critically undercapitalized. A significantly undercapitalized enterprise may make any other capital distribution only with the prior approval of the Director.

(B) STANDARD FOR APPROVAL.—The Director may approve a capital distribution by a significantly undercapitalized enterprise only if the Director determines that the payment—

(i) will enhance the ability of the enterprise promptly to meet the risk-based capital level and the minimum capital level for the enterprise,

(ii) will contribute to the long-term financial health and security of the enterprise, or

(iii) is otherwise in the public interest.

(2) DISCRETIONARY SUPERVISORY ACTIONS.—

(A) IN GENERAL.—The Director may by order take any of the following actions with respect to a significantly undercapitalized enterprise:

(i) Limit any increase in, or order the reduction of, any obligations of the enterprise.

(ii) Limit or prohibit the growth of the assets of the enterprise or require contraction of the assets of the enterprise.

(iii) Require the enterprise to raise new capital.

(iv) Require the enterprise to terminate, reduce, or modify any activity that the Di-

rector determines creates excessive risk to the enterprise.

(v) Appoint a conservator for the enterprise if the Director determines that the capital of the enterprise is below its minimum level and that alternative remedies are not satisfactory to restore the enterprise's capital.

(B) APPOINTMENT OF CONSERVATOR.—

(i) AUTHORITY.—Title IV, except subsections (a), (b), and (c) of section 401, shall govern any conservatorship resulting from an appointment pursuant to subparagraph (A)(v).

(ii) NOTICE AND HEARING.—The appointment of a conservator under subparagraph (A)(v) shall be subject to the notice and hearing provisions set forth in section 209.

(c) EFFECTIVE DATE.—This section shall take effect when the first classifications are made under section 204(b).

SEC. 206. CHANGES IN THE CLASSIFICATION OF AN ENTERPRISE IN CONNECTION WITH A CAPITAL RESTORATION PLAN.

(a) IN GENERAL.—The Director may by order—

(1) classify an undercapitalized enterprise as significantly undercapitalized, or

(2) classify a significantly undercapitalized enterprise as critically undercapitalized,

upon the occurrence of an event described in subsection (b).

(b) REASONS FOR THE CHANGE IN CLASSIFICATION.—Subsection (a) shall apply if—

(1) the enterprise does not submit or resubmit a capital restoration plan that is substantially in compliance with section 208,

(2) the Director has not approved a capital restoration plan submitted by the enterprise and the enterprise's opportunities for resubmission of a capital restoration plan have expired, or

(3) the Director determines that the enterprise has failed to make, in good faith, reasonable efforts necessary to comply with the capital restoration plan and fulfill the schedule for the plan approved by the Director.

SEC. 207. MANDATORY APPOINTMENT OF CONSERVATOR FOR CRITICALLY UNDERCAPITALIZED ENTERPRISES.

(a) APPOINTMENT.—If the Director determines that an enterprise is critically undercapitalized, the Director shall appoint a conservator for the enterprise not later than 30 days after providing notice and an opportunity for a hearing pursuant to section 209, unless the Director determines, with the concurrence of the Secretary of the Treasury, that the public interest is better served by other action. Title IV, except subsections (a), (b), and (c) of section 401, shall govern any conservatorship resulting from an appointment under this section.

(b) EFFECTIVE DATE.—This section shall take effect when the first quarterly classifications are made under section 204(b).

SEC. 208. CAPITAL RESTORATION PLANS.

(a) CONTENTS.—A capital restoration plan submitted under this title shall—

(1) be a feasible plan for the enterprise that would likely enable it to become adequately capitalized;

(2) describe the actions that the enterprise will take to become adequately capitalized;

(3) establish a schedule for completing the actions set forth in the capital restoration plan;

(4) specify the types and levels of activities in which the enterprise will engage during the term of the capital restoration plan; and

(5) describe the actions that the enterprise will take to comply with any supervisory requirements imposed under this title.

(b) DEADLINES FOR SUBMISSION.—A capital restoration plan must be submitted to the Director not more than 45 days after the Director has notified the enterprise in writing that a plan is required. The Director may extend the deadline to the extent that the Director determines necessary. Any extension of the deadline shall be in writing and shall be for a specified period of time.

(c) APPROVAL.—The Director shall approve or disapprove each capital restoration plan not later than 45 days after submission. The Director may extend such period for an additional 15 days. The Director shall provide written notice of the decision to any enterprise submitting a plan. If the Director disapproves the plan, the Director shall provide to the enterprise the reasons for such disapproval in writing.

(d) RESUBMISSION.—If the initial capital restoration plan submitted by the enterprise is disapproved, the enterprise shall submit an amended plan acceptable to the Director within 30 days or such longer period that the Director determines is in the public interest.

SEC. 209. NOTICE AND HEARING.

(a) NOTICE.—Before making a capital classification or taking a discretionary supervisory action under this title, the Director shall provide written notice of the proposed classification or action to the enterprise, stating the reasons for the classification or action, and shall provide the enterprise with a timely opportunity to review and supplement the administrative record in an administrative hearing.

(b) NOTICE TO CONGRESS.—After making a capital classification or taking a discretionary supervisory action under this title, the Director shall provide written notice to the Committee on Banking, Housing, and Urban Affairs of the Senate, and to the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

SEC. 210. JUDICIAL REVIEW OF DIRECTOR ACTION.

(a) JURISDICTION.—

(1) FILING OF PETITION.—An enterprise that is the subject of a capital classification or discretionary supervisory action pursuant to this title, other than the appointment of a conservator, may obtain review of the classification or action by filing, within 10 days after receiving written notice of the Director's classification or action, a written petition requesting that the order of the Director be modified, terminated, or set aside.

(2) EXCLUSIVE JURISDICTION.—The United States Court of Appeals for the District of Columbia Circuit shall have exclusive jurisdiction to hear a petition filed pursuant to this subsection.

(b) UNAVAILABILITY OF STAY.—With respect to a classification or discretionary supervisory action by the Director with regard to a significantly undercapitalized enterprise or an action that results in the classification of an enterprise as significantly undercapitalized or critically undercapitalized, the court shall not have jurisdiction to stay, enjoin, or otherwise delay such classification or action taken by the Director pending judicial review of the action.

(c) LIMITATION ON JURISDICTION.—Notwithstanding any other provision of law, no court other than the United States Court of Appeals for the District of Columbia Circuit shall have jurisdiction to affect, by injunction or otherwise, the issuance or effectiveness of any classification or action of the Director under this title or to review, modify, suspend, terminate, or set aside such classification or action.

SEC. 211. RATINGS.

(a) RATING.—Not later than 1 year after the effective date of this Act, the Director shall, for each enterprise, contract with 2 nationally recognized statistical rating organizations—

(1) to assess the likelihood that the enterprise will not be able to meet its obligations from its own resources with an assumption that there is no recourse to any implicit Government guarantee and to express that likelihood as a traditional credit rating; and

(2) to review the rating of the enterprise as frequently as the Director determines is appropriate, but not less than annually.

(b) COMMENTS.—The Director shall submit comments to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives on any difference between the evaluation of the rating organizations and that of the Office, with special attention to capital adequacy.

(c) DEFINITION.—For the purposes of this section, the term "nationally recognized statistical rating organization" means any entity effectively recognized by the Division of Market Regulation of the Securities and Exchange Commission as a nationally recognized statistical rating organization for the purposes of the capital rules for broker-dealers.

SEC. 212. CAPITAL.

(a) DEFINITION.—The term "capital" shall be defined by the Director by regulation and—

(1) shall include, in accordance with generally accepted accounting principles—

(A) the par or stated value of outstanding common stock;

(B) the par or stated value of outstanding perpetual, noncumulative preferred stock;

(C) paid-in capital;

(D) retained earnings; and

(E) other equity instruments that the Director determines are appropriate; and

(2) for the purposes of section 201, may also include such other amounts that the Director determines are available to absorb losses subject to any limitation prescribed by the Director, and shall include loss reserves established in accordance with generally accepted accounting principles.

(b) EXCLUSION.—As defined by the Director, the term "capital" shall exclude any amounts that an enterprise could be required to pay, at the option of investors, to retire capital instruments.

TITLE III—ENFORCEMENT PROVISIONS

SEC. 301. CEASE-AND-DESIST PROCEEDINGS.

(a) GROUNDS FOR ISSUANCE.—The Director may issue and serve upon an enterprise or any director or executive officer a notice of charges if, in the opinion of the Director, the enterprise, director, or executive officer—

(1) is engaging or has engaged, or the Director has reasonable cause to believe that the enterprise, director, or executive officer will engage in conduct that, if continued, would be likely to cause or result in a material depletion of the enterprise's capital; or

(2) is violating or has violated, or the Director has reasonable cause to believe that the enterprise, director, or executive officer will violate—

(A) any provision of this Act or the enterprise's charter Act or any order, rule, or regulation thereunder;

(B) any condition imposed in writing by the Director pursuant to the Director's authority under this Act or a charter Act in connection with the approval of any application or other request by the enterprise required by this Act or a charter Act; or

(C) any written agreement entered into with the Director.

(b) EXCEPTION FOR ADEQUATELY CAPITALIZED ENTERPRISES.—The Director may serve a notice of charges or issue an order upon an enterprise, a director, or an executive officer for any conduct or violation that relates to the financial health or security of an enterprise that is adequately capitalized only if the Director determines that—

(1) the conduct or violation threatens to cause a significant depletion of the enterprise's capital; or

(2) the conduct or violation may result in the issuance of an order described in subsection (d)(1).

(c) PROCEDURE.—

(1) NOTICE OF CHARGES.—Any notice of charges shall contain a statement of the facts constituting the alleged conduct or violation, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist should issue.

(2) DATE OF HEARING.—Such hearing shall be held not earlier than 30 days nor later than 60 days after service of such notice unless an earlier or a later date is set by the hearing officer at the request of any party served.

(3) FAILURE TO APPEAR CONSTITUTES CONSENT.—Unless the party served appears at the hearing personally or by a duly authorized representative, such party shall be deemed to have consented to the issuance of the cease-and-desist order.

(4) ISSUANCE OF ORDER.—In the event of consent by the party, or if, upon the record made at any such hearing, the Director finds that any conduct or violation specified in the notice of charges has been established, the Director may issue and serve upon such party an order requiring the party to cease and desist from such conduct or violation and to take affirmative action to correct the conditions resulting from any such conduct or violation.

(5) EFFECTIVE DATE OF ORDER.—A cease-and-desist order shall become effective 30 days after service (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable, except to the extent that it is stayed, modified, terminated, or set aside by action of the Director or a court of competent jurisdiction.

(d) AFFIRMATIVE ACTION TO CORRECT CONDITIONS RESULTING FROM VIOLATIONS OR PRACTICES.—The authority under this section or section 302 to issue any order that requires a party to take affirmative action includes the authority—

(1) to require a director or executive officer to make restitution to, or provide reimbursement, indemnification, or guarantee against loss to the enterprise to the extent that such person—

(A) was unjustly enriched in connection with such conduct or violation; or

(B) engaged in conduct or a violation that would subject such person to a civil penalty pursuant to section 305(b)(3);

(2) to require an enterprise to seek restitution, or to obtain reimbursement, indemnification, or guarantee against loss;

(3) to restrict the growth of the enterprise;

(4) to require the disposition of any asset;

(5) to require the rescission of agreements or contracts;

(6) to require the employment of qualified officers or employees (who may be subject to approval by the Director); and

(7) to require the taking of such other action as the Director determines appropriate.

(e) AUTHORITY TO LIMIT ACTIVITIES.—The authority under this section or section 302 to issue an order includes the authority to place limitations on the activities or functions of the enterprise, or any director or executive officer.

(f) CERTAIN ORDERS MAY CONTAIN CAPITAL CLASSIFICATION.—The authority under this section or section 302 to issue an order includes the authority to—

(1) classify the enterprise as undercapitalized, if the enterprise is otherwise classified as adequately capitalized;

(2) classify the enterprise as significantly undercapitalized, if the enterprise is otherwise classified as undercapitalized; or

(3) classify the enterprise as critically undercapitalized, if the enterprise is otherwise classified as significantly undercapitalized;

if the Director determines that the enterprise is engaging or has engaged in conduct not approved by the Director or a violation, that may result in a rapid depletion of the capital of the enterprise.

SEC. 302. TEMPORARY CEASE-AND-DESIST ORDERS.

(a) GROUNDS FOR ISSUANCE; SCOPE.—Whenever the Director determines that any conduct or violation, or threatened conduct or violation, specified in the notice of charges served upon the enterprise, director, or executive officer pursuant to section 301, or the continuation thereof, is likely—

(1) to cause insolvency;

(2) to cause a significant depletion of the capital of the enterprise; or

(3) otherwise to cause irreparable harm to the enterprise,

prior to the completion of the proceedings conducted pursuant to section 301(c), the Director may issue a temporary order requiring the enterprise, or any director or executive officer, to cease and desist from any such conduct or violation and to take affirmative action to prevent or remedy such insolvency, depletion, or harm pending completion of such proceedings. Such order may include any requirement authorized under section 301(d).

(b) INCOMPLETE OR INACCURATE RECORDS.—If a notice of charges served under section 301(a) specifies on the basis of particular facts and circumstances that the enterprise's books and records are so incomplete or inaccurate that the Director is unable, through the normal supervisory process, to determine the financial condition of that enterprise or the details or the purpose of any transaction or transactions that may have a material effect on the financial condition of that enterprise, the Director may issue a temporary order requiring—

(1) the cessation of any activity or practice which gave rise, whether in whole or in part, to the incomplete or inaccurate state of the books or records; or

(2) affirmative action to restore such books or records to a complete and accurate state,

until the completion of the proceedings under section 301.

(c) EFFECTIVE DATE OF ORDER.—An order issued pursuant to this section shall—

(1) become effective upon service upon the party and shall remain effective unless set aside, limited, or suspended by a court in proceedings authorized by subsection (d),

(2) shall be enforceable pending the completion of the proceedings pursuant to such notice, and

(3) shall remain effective until the Director dismisses the charges specified in such notice or until superseded by a cease-and-desist order issued pursuant to section 301.

(d) JUDICIAL REVIEW.—Not later than 10 days after a party has been served with a temporary cease-and-desist order pursuant to this section, the party may petition the United States District Court for the District of Columbia, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order pending the completion of the administrative proceedings.

(e) ENFORCEMENT.—In the case of a violation or a threatened violation of a temporary order issued pursuant to this section, the Director may apply to the United States District Court for the District of Columbia for an injunction to enforce such order.

SEC. 303. HEARINGS AND JUDICIAL REVIEW.

(a) HEARING.—Any hearing provided for in this title shall be on the record and held in the District of Columbia.

(b) DECISION BY THE DIRECTOR.—Not later than 90 days after the Director has notified the parties that the case has been submitted for final decision, the Director shall render the decision and shall issue and serve upon each party a copy of the order. The Director may modify an order prior to the filing of the record for judicial review.

(c) JUDICIAL REVIEW.—A party may obtain a review of an order issued under this title, except section 302, by filing in the United States Court of Appeals for the District of Columbia Circuit, not later than 30 days after the date of service, a written petition seeking to modify, terminate, or set aside such order.

SEC. 304. JURISDICTION AND ENFORCEMENT.

(a) APPLICATION FOR ENFORCEMENT.—The Director may apply to the United States District Court for the District of Columbia for the enforcement of any order issued under title II or this title, and such court shall have jurisdiction and power to order and require compliance with such order.

(b) LIMITATION ON JURISDICTION.—Except as otherwise permitted by section 210 or in this title, no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice, order, or penalty under title II or this title, or to review, modify, suspend, terminate, or set aside any such notice, order, or penalty.

SEC. 305. CIVIL MONEY PENALTIES.

(a) IN GENERAL.—The Director may impose a civil money penalty on an enterprise, director, or executive officer that—

(1) violates any provision of this Act or the enterprise's charter Act or regulation thereunder,

(2) violates any final order or temporary order issued pursuant to section 205, 206, 301, or 302,

(3) violates any condition imposed in writing by the Director pursuant to the authority under this Act or a charter Act, in connection with the approval of an application or other request by an enterprise required by law,

(4) violates any written agreement between an enterprise and the Director, or

(5) engages in any conduct that causes or is likely to cause a loss to the enterprise.

(b) AMOUNT OF PENALTY.—

(1) FIRST TIER.—

(A) IN GENERAL.—The Director may impose a penalty on an enterprise for any violation described in paragraphs (1) through (4) of subsection (a). The amount of a civil penalty under this subparagraph shall be determined in light of the facts and circumstances, but shall not exceed $5,000 for each day that a violation continues.

(B) EXCEPTION.—The amount of a civil penalty for a failure to make a good faith effort to comply with an approved housing plan under section 509 shall not exceed $10,000.

(2) SECOND TIER.—The Director may impose a penalty on an enterprise, executive officer, or director in an amount not to exceed $10,000 for an officer or director, or $25,000 for an enterprise, for each day that such violation or conduct continues, if the Director finds that the violation or conduct described in subsection (a)—

(A) is part of a pattern of misconduct, or

(B) involved recklessness and caused or would be likely to cause a material loss to the enterprise.

(3) THIRD TIER.—The Director may impose a penalty on an enterprise, executive officer, or director in an amount not to exceed $100,000 for an officer or director, or $1,000,000 for an enterprise, for each day that such violation or conduct continues, if the Director finds that the violation or conduct described in subsection (a) was knowing and caused or would be likely to cause a substantial loss to the enterprise.

(c) ASSESSMENT.—

(1) WRITTEN NOTICE.—Any penalty imposed under this section may be assessed and collected by the Director by written notice.

(2) PROHIBITION AGAINST REIMBURSEMENT OR INDEMNIFICATION.—An enterprise may not reimburse or indemnify any individual for any penalty imposed under subsection (b)(3).

(3) FINALITY OF ASSESSMENT.—If a hearing is not requested pursuant to subsection (f), the penalty assessment contained in a written notice shall constitute a final and unappealable order.

(d) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Director may compromise, modify, or remit any penalty assessed under this section.

(e) MITIGATING FACTORS.—In determining the amount of any penalty under this section, the Director shall take into account the appropriateness of the penalty with respect to—

(1) the financial resources and good faith of the enterprise, director, or executive officer charged;

(2) the gravity of the violation;

(3) the history of previous violations; and

(4) such other matters as justice may require.

(f) HEARING.—A party against whom a penalty is assessed under this section shall be afforded a hearing if the party submits a request for such hearing not later than 20 days after the issuance of the notice of assessment.

(g) COLLECTION.—

(1) REFERRAL.—If the enterprise, director, or executive officer fails to pay a penalty that has become final, the Director may recover the amount assessed by filing an action in the United States District Court for the District of Columbia.

(2) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In an action to collect the amount assessed, the validity and appropriateness of the penalty shall not be subject to review.

(h) DEPOSIT.—All penalties collected under authority of this section shall be deposited into the General Fund of the Treasury.

(i) APPLICABILITY.—This section shall apply only to conduct, a failure, a breach, or a violation that occurs on or after the effective date of this Act.

SEC. 306. NOTICE UNDER THIS TITLE AFTER SEPARATION FROM SERVICE.

The resignation, termination of employment or participation, or separation of a director or executive officer of an enterprise shall not affect the jurisdiction and authority of the Director to issue any notice and proceed under this title against any such director or executive officer, if such notice is served before the end of the 2-year period beginning on the date such director or executive officer ceased to be associated with the enterprise.

SEC. 307. PRIVATE RIGHTS OF ACTION.

Nothing in this Act creates a private right of action on behalf of any person against an enterprise, or any director or executive officer of an enterprise, or impairs any existing private right of action under other applicable law.

SEC. 308. SUBPOENA POWER.

(a) POWERS.—In the course of, or in connection with, any examination, administrative proceeding, claim, or investigation under this Act, the Director may—

(1) administer oaths and affirmations,

(2) take testimony under oath, and

(3) issue, revoke, quash, or modify subpoenas issued by the Director.

(b) JURISDICTION.—The attendance of witnesses and the production of documents provided for in this section may be required from any place subject to the jurisdiction of the United States at any designated place where such examination or proceeding is being conducted.

(c) ENFORCEMENT.—The Director, in examining an enterprise, or any party to proceedings under this title may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district (or the United States court in any territory) where the witness resides or carries on business, for enforcement of any subpoena issued pursuant to this section.

(d) FEES AND EXPENSES.—A witness subpoenaed under this section shall be paid the same fees that are paid witnesses in the district courts of the United States. A court having jurisdiction of a proceeding under this section may allow to any such witness such reasonable expenses and attorneys' fees as it determines just and proper. Such expenses and fees shall be paid by the enterprise or from its assets.

SEC. 309. PUBLIC DISCLOSURE OF FINAL ORDERS AND AGREEMENTS.

(a) IN GENERAL.—The Director shall make available to the public—

(1) any written agreement or other written statement for which a violation may be redressed by the Director or any modification to or termination thereof, unless the Director, in the Director's discretion, determines that public disclosure would be contrary to the public interest;

(2) any order that is issued with respect to any administrative enforcement proceeding initiated by the Director under this title and that has become final in accordance with section 303; and

(3) any modification to or termination of any final order made public pursuant to this paragraph.

(b) HEARINGS.—All hearings on the record with respect to any notice of charges issued by the Director shall be open to the public, unless the Director, in the Director's discretion, determines that holding an open hearing would be contrary to the public interest.

(c) DELAY OF PUBLIC DISCLOSURE UNDER EXCEPTIONAL CIRCUMSTANCES.—If the Director makes a determination in writing that the public disclosure of any final order pursuant to subsection (a) would seriously threaten the financial health or security of the enterprise, the Director may delay the public disclosure of such order for a reasonable time.

(d) DOCUMENTS FILED UNDER SEAL IN PUBLIC ENFORCEMENT HEARINGS.—The Director may file any document or part thereof under seal in any administrative enforcement hearing commenced by the Director if the Director determines in writing that disclosure thereof would be contrary to the public interest.

(e) RETENTION OF DOCUMENTS.—The Director shall keep and maintain a record, for not less than 6 years, of all documents described in subsection (a) and all informal enforcement agreements and other supervisory actions and supporting documents issued with respect to or in connection with any administrative enforcement proceeding initiated by the Director under this title or any other law.

(f) DISCLOSURES TO CONGRESS.—No provision of this section shall be construed to authorize the withholding, or to prohibit the disclosure, of any information to the Congress or any committee or subcommittee thereof.

TITLE IV—CONSERVATORSHIP

SEC. 401. APPOINTMENT OF CONSERVATOR.

(a) APPOINTMENT.—The Director may, after determining that alternative remedial actions are not satisfactory, appoint a conservator to take possession and control of an enterprise, whenever the Director determines that—

(1) the enterprise is in an unsafe or unsound condition to transact business, and the unsafe or unsound condition threatens the ability of the enterprise to continue as a viable concern or threatens to cause the depletion of substantially all of the capital of the enterprise;

(2) the enterprise has concealed or is concealing its books, papers, records, or assets, or has refused or is refusing to submit its books, papers, records, or affairs for inspection to any examiner or any lawful agent of the Director; or

(3) the enterprise has willfully violated or is willfully violating a cease-and-desist order which has become final.

(b) APPOINTMENT BY CONSENT.—The Director may appoint a conservator to take possession and control of an enterprise if the enterprise, by resolution of a majority of its board of directors or shareholders, consents to the appointment.

(c) NOTICE AND HEARING.—

(1) IN GENERAL.—Before appointing a conservator pursuant to subsection (a), the Director shall provide written notice to the enterprise of the basis for the Director's proposed action and shall provide the enterprise with an opportunity for a hearing on the record.

(2) EXCEPTION.—Notwithstanding paragraph (1), the Director may appoint a conservator without providing notice or a hearing to the enterprise, if the Director determines, pending completion of the proceedings under paragraph (1), that the conduct or violation by the enterprise is likely to—

(A) cause insolvency of the enterprise;

(B) cause a significant depletion of the capital of the enterprise; or

(C) otherwise cause irreparable harm to the enterprise;

prior to the completion of such proceedings.

(d) QUALIFICATIONS OF CONSERVATOR.—The conservator may be—

(1) the Director, or

(2) any person, that—

(A) has no claim against, or financial interest in, the enterprise or other basis for a conflict of interest, and

(B) has the financial and management expertise necessary to direct the operations and affairs of the enterprise.

(e) JUDICIAL REVIEW.—

(1) IN GENERAL.—Not later than 20 days after the initial appointment of a conservator pursuant to this section, the enterprise may bring an action in the United States District Court for the District of Columbia for an order requiring the Director to terminate the appointment of the conservator. The court, upon consideration of the record, shall dismiss the action to terminate the appointment of the conservator or shall direct the Director to terminate the appointment of the conservator. If the conservator was appointed pursuant to subsection (c)(2), the court shall make such determination on the merits.

(2) CONSENSUAL APPOINTMENTS.—A consensual appointment of a conservator under subsection (b) is not subject to judicial review.

(3) LIMITATION ON REMEDIES.—Except as otherwise provided in this subsection, no court may take any action regarding the removal of a conservator, or restrain, or affect the exercise of powers or functions of, a conservator.

(f) REPLACEMENT OF CONSERVATOR.—The Director may, without notice or hearing, replace a conservator with another conservator. Such replacement is not subject to judicial review and shall not affect the enterprise's right under subsection (d) to obtain judicial review of the Director's original decision to appoint a conservator.

SEC. 402. POWERS OF A CONSERVATOR.

(a) POWERS.—

(1) IN GENERAL.—A conservator has all the powers of the directors and officers of the enterprise unless the Director, in the order of appointment, limits the conservator's authority. In addition, a conservator has all the powers of shareholders that relate to the management of the enterprise, including the power to elect directors.

(2) ADDITIONAL POWER.—A conservator has the power to avoid any security interest taken by a creditor with the intent to hinder, delay, or defraud the enterprise or the creditors of the enterprise.

(3) STAY.—Not later than 45 days after appointment or 45 days after receipt of actual notice of an action or proceeding that is pending at the time of appointment, a conservator may request that any action or proceeding to which the conservator or the enterprise is or may become a party, be stayed for a period not to exceed 45 days after the request.

(b) EXPENSES.—All expenses of a conservatorship shall be paid by the enterprise and shall be a lien upon the enterprise which shall have priority over any other lien.

SEC. 403. TERMINATION OF CONSERVATORSHIP.

(a) IN GENERAL.—At any time the Director determines that it may safely be done and that it would be in the public interest, the Director may terminate a conservatorship subject to such terms, conditions, and limitations as the Director may prescribe by written order.

(b) ENFORCEMENT AS FINAL CEASE-AND-DESIST ORDER.—Any terms, conditions, and limitations that the Director may prescribe under subsection (a) shall be enforceable under the provisions of section 304, to the same extent as an order issued pursuant to section 301 which has become final.

(c) JUDICIAL REVIEW.—Not later than 20 days after the date of the termination of the conservatorship or the imposition of an order under subsection (a), whichever is later, an enterprise may bring an action in the United States District Court for the District of Columbia for an order requiring the Director to terminate the order.

SEC. 404. LIABILITY PROTECTION.

(a) FEDERAL AGENCY AND EMPLOYEES.—In a case in which the conservator is the Director, the provisions of chapters 161 and 171 of title 28, United States Code, shall apply with respect to the conservator's liability for acts or omissions performed in the course of the duties and responsibilities of the conservatorship.

(b) OTHER CONSERVATORS.—In a case in which the conservator is not the Director, the conservator shall not be liable for damages in tort or otherwise for acts or omissions performed in the course of the duties and responsibilities of the conservatorship, unless such acts or omissions constitute gross negligence or intentional tortious conduct.

(c) INDEMNIFICATION.—The Director shall have authority to indemnify the conservator on such terms as the Director determines proper.

SEC. 405. ENFORCEMENT OF CONTRACTS.

(a) IN GENERAL.—A conservator may enforce any contract described in subsection (b), notwithstanding any provision of the contract providing for the termination, default, acceleration, or other exercise of rights upon, or solely by reason of, the insolvency of the enterprise or the appointment of a conservator.

(b) CONTRACTS ENFORCEABLE.—If the Director—

(1) determines that the continued enforceability of a class of contracts is necessary to the achievement of the conservator's purpose; and

(2) specifically describes that class of contracts in a regulation or order issued for the purpose of this section;

any contract that is within that class of contracts is enforceable under subsection (a).

(c) APPLICABILITY.—This section and the regulation or order issued under this section shall apply to contracts entered into, modified, extended, or renewed after the effective date of the regulation or order.

TITLE V—HOUSING

SEC. 501. GENERAL AUTHORITY.

(a) IN GENERAL.—The Director shall establish, by regulation, housing goals for each enterprise. The housing goals shall include a low- and moderate-income housing goal, a special affordable housing goal, and a central city, rural area, and other underserved areas housing goal. The Director shall implement this title in a manner consistent with section 301(3) of the Federal National Mortgage Association Charter Act and section 301(b)(3) of the Federal Home Loan Mortgage Corporation Act.

(b) ADJUSTMENT OF HOUSING GOALS.—Except as otherwise set forth in this Act, the Director may, from year to year, adjust any housing goal established under this title.

(c) COMPLIANCE WITH HOUSING GOALS.—Any mortgage purchased by an enterprise shall simultaneously contribute to the achievement of each housing goal established under this title for which the mortgage purchase qualifies.

SEC. 502. LOW- AND MODERATE-INCOME HOUSING GOAL.

(a) IN GENERAL.—The Director shall establish an annual goal for the purchase of mortgages secured by housing for low- and moderate-income families.

(b) TRANSITION RULE.—

(1) IN GENERAL.—During the transition period, an interim target for low- and moderate-income mortgage purchases for each enterprise is established at 30 percent of the total number of dwelling units financed by mortgage purchases of the enterprise.

(2) ACHIEVEMENT OF THE INTERIM TARGET FOR LOW- AND MODERATE-INCOME MORTGAGE PURCHASES.—During the transition period, the Director shall establish separate annual goals for each enterprise, the achievement of which would require, to the extent feasible, that—

(A) each enterprise improve its performance relative to the interim target, annually; and

(B) in the case of an enterprise that does not meet the interim target, the enterprise be prepared to meet the interim target in subsequent years.

(3) DEFINITION.—As used in this subsection, the term "transition period" means the 2-year period beginning on the date of enactment of this Act.

(c) FACTORS TO BE APPLIED BY THE DIRECTOR.—In establishing the housing goal for an enterprise under this section, the Director shall take into account—

(1) appropriate economic, housing, and demographic data,

(2) the performance and effort of the enterprise toward achieving the goals in prior calendar years,

(3) the size of the conventional mortgage market serving low- and moderate-income families relative to the size of the overall conventional mortgage market,

(4) national housing needs,

(5) the ability of the enterprise to lead the industry in making mortgage credit available for low- and moderate-income families, and

(6) the need to maintain the sound financial condition of the enterprise.

(d) USE OF BORROWER AND TENANT INCOME.—

(1) IN GENERAL.—The Director shall monitor each enterprise's performance in carrying out this section and shall evaluate that performance based on—

(A) in the case of an owner-occupied dwelling, the mortgagor's income at the time of origination of the mortgage; or

(B) in the case of a rental dwelling—

(i) the income of the prospective or actual tenants of the property, where such data are available; or

(ii) the rent levels affordable to low- and moderate-income families, where the data referred to in clause (i) are not available.

(2) AFFORDABILITY.—For the purpose of paragraph (1)(B)(ii), a rent level is affordable if it does not exceed 30 percent of the maximum income level of the income categories referred to in this section, with appropriate adjustments for unit size as measured by the number of bedrooms.

SEC. 503. SPECIAL AFFORDABLE HOUSING GOAL.

(a) ESTABLISHMENT OF SPECIAL AFFORDABLE HOUSING GOAL.—

(1) IN GENERAL.—The Director shall establish an annual special affordable housing goal under this section that is not less than 1 percent of the dollar amount of the mortgage purchases by the enterprise for the previous year.

(2) STANDARDS.—In establishing an enterprise's special affordable housing goal, the Director shall take into account—

(A) data submitted to the Director in connection with the special affordable housing goal for previous years,

(B) the performance and effort of the enterprise toward achieving the special affordable housing goal in prior calendar years,

(C) national housing needs within the income categories set forth in this section,

(D) the ability of the enterprise to lead the industry in making mortgage credit available for low-income families, and

(E) the need to maintain the sound financial condition of the enterprise.

(b) TRANSITION RULES.—

(1) FEDERAL NATIONAL MORTGAGE ASSOCIATION MORTGAGE PURCHASES FOR THE TRANSITION PERIOD.—During the transition period, the special affordable housing goal for the Federal National Mortgage Association shall include mortgage purchases of not less than $2,000,000,000, with one-half of such purchases directed to 1-to-4 family housing and one-half to multifamily housing.

(2) FEDERAL HOME LOAN MORTGAGE CORPORATION MORTGAGE PURCHASES FOR THE TRANSITION PERIOD.—During the transition period, the special affordable housing goal for the Federal Home Loan Mortgage Corporation shall include mortgage purchases of not less than $1,500,000,000, with one-half of such purchases directed to 1-to-4 family housing and one-half to multifamily housing.

(3) INCOME CHARACTERISTICS FOR TRANSITION PERIOD MORTGAGE PURCHASES.—

(A) MULTIFAMILY MORTGAGES.—Purchases of multifamily housing mortgages under paragraphs (1) and (2) shall be directed in the following proportions:

(i) 45 percent for multifamily housing affordable to families whose incomes do not exceed 80 percent of the median income for the area; and

(ii) 55 percent for multifamily housing in which—

(I) at least 20 percent of the units are affordable to families whose incomes do not exceed 50 percent of the median income for the area; or

(II) at least 40 percent of the units are affordable to families whose incomes do not exceed 60 percent of the median income for the area.

(B) SINGLE FAMILY MORTGAGES.—Purchases of 1-to-4 family housing mortgages under paragraphs (1) and (2) shall be directed in the following proportions:

(i) 45 percent for mortgages for families whose incomes do not exceed 80 percent of the median income for the area and who live in census tracts in which the median income does not exceed 80 percent of the area median; and

(ii) 55 percent for mortgages for families whose incomes do not exceed 60 percent of the median income for the area.

(C) COMPLIANCE WITH SPECIAL AFFORDABLE HOUSING GOALS.—Only the portion of multifamily housing mortgage purchases by an enterprise that are attributable to units affordable to families whose incomes do not exceed 80 percent of the median income for the area shall be credited toward compliance with the special affordable housing goals set forth in subparagraph (A)(ii).

(4) DEFINITION.—As used in this subsection, the term "transition period" means the 2-year period beginning on the date of enactment of this Act.

(c) USE OF BORROWER AND TENANT INCOME.—

(1) IN GENERAL.—The Director shall monitor each enterprise's performance in carrying out this section and shall evaluate that performance based on—

(A) in the case of an owner-occupied dwelling the mortgagor's income at the time of origination of the mortgage; or

(B) in the case of a rental dwelling—

(i) the income of the prospective or actual tenants of the property, where such data are available; or

(ii) the rent levels affordable to low-income families, where the data referred to in clause (i) are not available.

(2) AFFORDABILITY.—For the purpose of paragraph (1)(B)(ii), a rent level is affordable if it does not exceed 30 percent of the maximum income level of the income categories referred to in this section, with appropriate adjustments for unit size as measured by the number of bedrooms.

SEC. 504. CENTRAL CITY, RURAL AREA, AND OTHER UNDERSERVED AREAS HOUSING GOAL.

(a) IN GENERAL.—The Director shall establish an annual goal for the purchase of mortgages secured by housing located in central cities, rural areas, and other underserved areas.

(b) TRANSITION RULE.—

(1) IN GENERAL.—During the transition period, an interim target for purchases of mortgages by each enterprise secured by housing located in central cities is established at 30 percent of the total number of dwelling units financed by mortgage purchases of the enterprise.

(2) ACHIEVEMENT OF THE INTERIM TARGET FOR CENTRAL CITY MORTGAGE PURCHASES.—During the transition period, the Director shall establish separate annual goals for each enterprise, the achievement of which would require, to the extent feasible, that—

(A) each enterprise improve its performance relative to the interim target, annually; and

(B) in the case of an enterprise that does not meet the interim target, such enterprise be prepared to meet the interim target in subsequent years.

(3) DEFINITIONS.—

(A) TRANSITION PERIOD.—As used in this subsection, the term "transition period" means the 2-year period beginning on the date of enactment of this Act.

(B) CENTRAL CITY.—As used in this subsection, the term "central city" means any political subdivision designated as a central city by the Office of Management and Budget.

(c) FACTORS TO BE APPLIED BY THE DIRECTOR.—In establishing the housing goal for an enterprise under this section, the Director shall take into account—

(1) appropriate economic, housing, and demographic data,

(2) the performance and effort of the enterprise toward achieving the goals established under this section in prior calendar years,

(3) the size of the central city, rural area, and other underserved areas conventional mortgage market relative to the size of the overall conventional mortgage market,

(4) national urban needs,

(5) the ability of the enterprise to lead the industry in making mortgage credit available throughout the Nation, including central cities, rural areas, and other underserved areas, and

(6) the need to maintain the sound financial condition of the enterprise.

(d) LOCATION OF PROPERTIES.—The Director shall monitor each enterprise's performance in carrying out this section and shall evaluate that performance based on the location of the properties securing mortgages purchased by each enterprise.

SEC. 505. OTHER REQUIREMENTS.

To meet the low- and moderate-income housing goal under section 502, the special affordable housing goal under section 503, and the central city, rural area, and other underserved areas housing goal under section 504, each enterprise shall—

(1) design programs and products that facilitate the use of assistance provided by the Federal Government and State and local governments;

(2) develop relationships with nonprofit and for-profit organizations that develop and finance housing and with State and local governments, including housing finance agencies;

(3) take affirmative steps to—

(A) help primary lenders make housing credit available in areas with concentrations of low-income and minority families, and

(B) assist insured depository institutions in meeting their obligations under the Community Reinvestment Act of 1977,

that include developing appropriate and prudent underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures; and

(4) develop the institutional capacity to help finance low- and moderate-income housing, including housing for first-time homebuyers.

SEC. 506. MONITORING COMPLIANCE WITH HOUSING GOALS.

(a) IN GENERAL.—The Director shall establish guidelines to measure the extent of compliance with the housing goals established under this title. The guidelines may assign full credit, partial credit, or no credit toward compliance with the housing goals to different categories of mortgage purchase activities depending upon such criteria as the Director deems appropriate.

(b) SPECIAL AFFORDABLE HOUSING GOALS.—

(1) ACTIVITIES THAT SHALL RECEIVE FULL CREDIT TOWARD COMPLIANCE WITH GOALS.—The Director shall give full credit toward compliance with the special affordable housing goals to the following activities:

(A) The purchase or securitization of federally insured or guaranteed mortgages, if—

(i) such mortgages cannot be readily securitized through the Government National Mortgage Association or other Federal agency; and

(ii) participation of an enterprise substantially enhances the affordability of the housing securing such mortgages.

(B) The purchase or refinancing of existing, seasoned portfolios of loans, if—

(i) the seller is engaged in a specific program to use the proceeds of such sales to originate additional loans that meet the special affordable housing goals; and

(ii) such purchases or refinancings support additional lending for housing serving low-income families.

(C) The purchase of direct loans made by the Resolution Trust Corporation or the Federal Deposit Insurance Corporation, if such loans are—

(i) not guaranteed by the agencies themselves or other Federal agencies; and

(ii) made with recourse provisions similar to those offered through private mortgage insurance or other conventional sellers.

(2) EXCLUSION.—No credit toward compliance with the special affordable housing goal may be given to the purchase or securitization of mortgages associated with the refinancing of existing enterprise portfolios.

SEC. 507. DATA COLLECTION AND REPORTING REQUIREMENTS FOR THE ENTERPRISES.

(a) SINGLE FAMILY DATA.—

(1) IN GENERAL.—Each enterprise shall collect, maintain, and provide to the Director, in a useful form, data relating to its single family mortgages. Such data shall include—

(A) the income, census tract location, race, and gender of mortgagors;

(B) the loan-to-value ratios of purchased mortgages at the time of origination;

(C) whether a particular mortgage purchased is newly originated or seasoned;

(D) the number of units (1-to-4 family) and whether they are owner-occupied; and

(E) other characteristics deemed appropriate by the Director, to the extent practicable.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The data required to be collected under this subsection shall cover single family mortgages purchased after the date determined by the Director, but not later than December 31, 1992.

(B) SEASONED MORTGAGES.—For mortgages purchased after the date referred to in subsection (a) but originated before that date, only data available to the enterprise is required to be collected under this subsection.

(b) MULTIFAMILY DATA.—

(1) IN GENERAL.—Each enterprise shall collect, maintain, and provide to the Director, in a useful form, data relating to its multifamily housing mortgages. Such data shall include—

(A) census tract location,

(B) tenant income levels and characteristics (to the extent practicable),

(C) rent levels,

(D) mortgage characteristics (such as number of units financed per mortgage and size of loans),

(E) mortgagor characteristics (such as nonprofit, for-profit, limited equity cooperatives),

(F) use of funds (such as new construction, rehabilitation, refinancing),

(G) type of originating institution, and

(H) other information deemed appropriate by the Director, to the extent practicable.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The data required to be collected under this subsection shall cover multifamily mortgages purchased after the date determined by the Director, but not later than December 31, 1992.

(B) SEASONED MORTGAGES.—For mortgages purchased after the date referred to in subparagraph (A) but originated before that date, only data available to the enterprise is required to be collected under this subsection.

(c) PUBLIC ACCESS TO DATA.—

(1) IN GENERAL.—The Director shall make the data required by subsections (a) and (b) available to the public in useful forms, including forms accessible by computers.

(2) ACCESS.—

(A) PROPRIETARY DATA.—The Director may not make available to the public data that the Director determines are proprietary pursuant to section 515.

(B) EXCEPTION.—The Director shall not restrict access to the data provided in accordance with subsection (a)(1)(A).

(3) FEES.—The Director may charge reasonable fees to cover the cost of making the data available to the public.

(d) ANNUAL REPORT.—

(1) IN GENERAL.—Each enterprise shall submit to the Congress and the Director a report on its activities under this title.

(2) CONTENTS.—The report referred to in paragraph (1) shall—

(A) include in aggregate form and by appropriate category, the dollar volume and number of mortgages purchased for owner-occupied and rental properties related to each of the annual housing goals;

(B) include in aggregate form and by appropriate category, the number of families served, the income class, race, and gender of homebuyers served, the income class of tenants of rental housing (based on availability of information), the characteristics of the census tracts, and the geographic distribution of the housing financed;

(C) include the extent to which the mortgages purchased by the enterprise have been used in conjunction with public subsidy programs under Federal law;

(D) include the proportion of single family mortgages purchased that have been made to first-time homebuyers, as soon as providing such data is practicable and identify any special programs (or revisions to conventional practices) facilitating homeownership opportunities for first-time homebuyers;

(E) include in aggregate form and by appropriate category the data reported under subsection (a)(1)(B);

(F) level of securitization versus portfolio activity;

(G) assess the underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures, that affect the purchase of mortgages for low- and moderate-income families, or that may yield disparate results based on the race of the borrower, including revisions thereto to promote affordable housing or fair lending;

(H) describe trends in both the primary and secondary multifamily markets, including a description of the progress made, and any factors impeding progress, toward standardization and securitization of mortgage products for multifamily housing;

(I) describe trends in the delinquency and default rates of mortgages secured by housing for low- and moderate-income families that have been purchased by each enterprise, including a comparison of such trends with delinquency and default information for mortgage products serving households with incomes above the median level that have been purchased by each enterprise, and evaluate the impact of such trends on the standards and levels of risk of mortgage products serving low- and moderate-income families;

(J) describe in the aggregate its seller servicer network, including the volume of mortgages purchased from minority-owned, women-owned, and community-oriented lenders, and any efforts to facilitate relationships with such lenders;

(K) describe the activities undertaken with nonprofit and for-profit organizations and with State and local governments and housing finance agencies, including how its activities support the objectives of local comprehensive housing affordability strategies; and

(L) contain any other information deemed relevant by the Director.

(3) AVAILABILITY OF REPORTS.—

(A) IN GENERAL.—Each enterprise shall make the reports under this subsection available to the public at the principal and regional offices of the enterprise.

(B) EXCLUSION OF PROPRIETARY DATA.—Information that is contained in any report that the Director has determined is proprietary shall be subject to the provisions of section 515.

SEC. 508. ANNUAL REPORT OF THE DIRECTOR.

(a) IN GENERAL.—After reviewing and analyzing the reports submitted under section 507(d), the Director shall submit a report, as part of its report under section 109 of this Act, on the extent to which each enterprise is achieving the specified annual goals and general purposes established by law.

(b) CONTENTS.—The report shall—

(1) aggregate and analyze census tract data to assess each enterprise's compliance with the central city, rural area, and other underserved areas housing goal and to show levels of business in central cities, rural areas, low- and moderate-income census tracts, minority census tracts, and other geographical areas deemed appropriate by the Director;

(2) aggregate and analyze data on income to assess each enterprise's compliance with the low and moderate and special affordable housing goals;

(3) aggregate and analyze data on income, race, and gender by census tract and compare such data with larger demographic, housing, and economic trends;

(4) examine actions that each enterprise has undertaken and could undertake regarding underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures to promote and expand the annual goals specified under sections 502, 503, and 504, as well as the general purposes established by law;

(5) review trends in both the primary and secondary multifamily markets, describing—

(A) the availability of mortgage credit and liquidity; and

(B) the progress made, and any factors impeding progress, toward standardization and securitization of mortgage products for multifamily housing;

(6) examine actions each enterprise has undertaken and could undertake to promote and expand opportunities for first-time homebuyers; and

(7) describe any actions taken with respect to originators found to violate fair lending procedures.

SEC. 509. COMPLIANCE.

(a) IN GENERAL.—The Director shall monitor and enforce compliance with the goals established under sections 502, 503, and 504.

(b) NOTICE AND HEARING.—If the Director determines that an enterprise has failed to meet, or that there is a substantial probability that an enterprise will fail to meet, any goal established under section 502, 503, or 504, the Director shall provide written notice to the enterprise and an opportunity to review and supplement the administrative record at an administrative hearing.

(c) HOUSING PLANS.—

(1) PLAN REQUIRED.—If the Director finds, after any hearing pursuant to subsection (b), that the achievement of the housing goal was feasible, after consideration of market and economic conditions, the Director shall require the enterprise to submit a housing plan for approval by the Director.

(2) CONTENTS.—Each housing plan shall be a feasible plan describing the specific actions the enterprise will take—

(A) to achieve the goal for the next succeeding calendar year; or

(B) in a case when the Director determines that there is a substantial probability that the enterprise will fail to meet a goal in the current year, to make such improvements as are reasonable in the remainder of that year.

The plan shall contain sufficient specificity to enable the Director to monitor compliance periodically.

(3) DEADLINES FOR SUBMISSION.—The Director shall establish a deadline for submission of a housing plan that is not more than 45 days after the enterprise is notified in writing that a plan is required. The Director may extend the deadline for a specified period of time.

(4) APPROVAL.—The Director shall approve or disapprove a plan within 30 days. The Director shall approve any plan that the Director determines is likely to succeed, and conforms with the relevant charter act and this Act and other applicable law and regulation. The Director may extend the period for approval or disapproval for an additional 30 days.

(5) DISAPPROVAL.—If the housing plan initially submitted by the enterprise is disapproved, the Director shall provide written notice of the reasons therefor, and shall require the enterprise to submit, with a rea-

sonable period of time, but not more than 30 days unless the Director determines that a longer period is in the public interest, an amended housing plan acceptable to the Director.

(6) HEARING.—If the Director disapproves a housing plan, the Director shall provide the enterprise with an opportunity to review and supplement the administrative record in an administrative hearing.

(d) ENFORCEMENT.—

(1) IN GENERAL.—If the Director determines that an enterprise has failed to make a good faith effort to comply with an approved housing plan, the Director—

(A) may, under section 301, issue and serve upon the enterprise an order to comply with the housing plan; and

(B) may, under section 305, assess and collect from the enterprise a civil penalty.

(2) LIMITATION.—The Director shall not, for failure to comply with an approved housing plan—

(A) issue any order under section 301, except as described in paragraph (1)(A); or

(B) assess any civil penalty under section 305, except as described in paragraph (1)(B).

(3) ADDITIONAL TRANSITION PERIOD LIMITATION.—The Director shall take no actions described in paragraph (1) during the 2-year period following the date of enactment of this Act unless the Director determines that the enterprise has blatantly disregarded an approved housing plan.

(e) TRANSITION PERIOD REPORTS AND HEARINGS.—

(1) REPORTS.—Within 45 days of the establishment of any housing goals required by this title during the 2-year period following the date of enactment, each enterprise shall submit to the Director, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report describing the actions the enterprise plans to take in order to meet such goals.

(2) HEARINGS.—Not later than 45 days after the submission of a report under paragraph (1), the chief executive officers of the enterprises shall, if requested, appear before each committee referred to in paragraph (2) to explain the proposed actions described in their respective plans.

(f) AUDIT POWERS.—The Director or the Comptroller General of the United States, at the request of the Director or any Member of Congress, is authorized to examine records and audit reports to the extent necessary to assess compliance with—

(1) the goals established under sections 502, 503, and 504,

(2) any other goals established by the Director to achieve the charter purposes of an enterprise, and

(3) any housing plan approved under this section.

SEC. 510. ADVISORY COUNCIL.

(a) IN GENERAL.—Not later than 4 months after the date of enactment of this Act, each enterprise shall appoint an Affordable Housing Advisory Council to advise it regarding possible methods for promoting affordable housing for low- and moderate-income families.

(b) MEMBERSHIP.—Each Council shall consist of 15 individuals, who shall include representatives of community-based and other nonprofit and for-profit organizations and State and local government agencies actively engaged in the promotion, development, or financing of housing for low- and moderate-income families.

SEC. 511. GEOGRAPHIC DISTRIBUTION.

(a) FEDERAL NATIONAL MORTGAGE ASSOCIATION.—Section 301 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716) is amended—

(1) by redesignating paragraph (4) as paragraph (5);

(2) by striking "and" at the end of paragraph (3); and

(3) by inserting before paragraph (5), as redesignated, the following:

"(4) promote access to mortgage credit throughout the Nation (including central cities and rural areas) by increasing the liquidity of mortgage investments, including facilitating credit secured by mortgages to secondary market participants, and improving the distribution of investment capital available for residential mortgage financing; and".

(b) FEDERAL HOME LOAN MORTGAGE CORPORATION.—Section 301(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by adding at the end the following:

"(4) to promote access to mortgage credit throughout the Nation (including central cities and rural areas) by increasing the liquidity of mortgage investments, including facilitating credit secured by mortgages to secondary market participants, and improving the distribution of investment capital available for residential mortgage financing.".

SEC. 512. MULTIFAMILY MORTGAGE ACTIVITIES.

(a) FEDERAL NATIONAL MORTGAGE ASSOCIATION.—Section 301 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716) is amended by striking "home" each place it appears in paragraphs (1) and (3) and inserting "residential".

(b) FEDERAL HOME LOAN MORTGAGE CORPORATION.—Section 301(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note) is amended by striking "home" each place it appears in paragraphs (1) and (3) and inserting "residential".

SEC. 513. BOARD OF DIRECTORS QUALIFICATIONS.

(a) FEDERAL NATIONAL MORTGAGE ASSOCIATION.—

(1) MEMBER WITH A DEMONSTRATED COMMITMENT TO LOW-INCOME HOUSING.—Section 308(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723(b)) is amended by inserting in the second sentence after "lending industry," the following: "at least one person who has demonstrated a career commitment to the provision of housing for low-income households,".

(2) APPLICABILITY.—The amendment made by subsection (a)(1) shall apply to the annual appointments made by the President of members to the Board of Directors of the Federal National Mortgage Association that occur after the date of the enactment of this Act.

(b) FEDERAL HOME LOAN MORTGAGE CORPORATION.—

(1) MEMBER WITH A DEMONSTRATED COMMITMENT TO LOW-INCOME HOUSING.—Section 303(a)(2)(A) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2)(A)) is amended by inserting in the second sentence after "lending industry," the following: "at least 1 person who has demonstrated a career commitment to the provision of housing for low-income households,".

(2) APPLICABILITY.—The amendment made by subsection (b)(1) shall apply to the annual appointments made by the President of members to the Board of Directors of the Federal Home Loan Mortgage Corporation that occur after the date of the enactment of this Act.

SEC. 514. FAIR HOUSING.

The Director shall—

(1) subject to the Secretary's general authority to enforce the Fair Housing Act, by regulation prohibit each enterprise from discriminating in any manner in the purchase of any mortgage because of race, color, religion, sex, handicap, familial status, age, or national origin, including any consideration of the age or location of the dwelling or the age of the neighborhood or census tract where the dwelling is located in a manner that has a discriminatory effect;

(2) subject to the Secretary's general authority to enforce the Fair Housing Act, by regulation require each enterprise to have single family mortgage and multifamily mortgage underwriting and appraisal guidelines that prohibit the use of lending criteria or the exercise of lending policies by mortgage lenders that sell mortgages to the enterprise, that have the effect of discriminating on the basis of race, color, religion, sex, handicap, familial status, age, or national origin, including any consideration of the age or location of the dwelling or the age of the neighborhood or census tract where the dwelling is located in a manner that has a discriminatory effect;

(3) by regulation, require an enterprise to submit certain data to assist the Secretary in investigating whether a mortgage lender with which the enterprise does business has failed to comply with the Fair Housing Act or the Equal Credit Opportunity Act;

(4) periodically review and comment on each enterprise's underwriting and appraisal guidelines;

(5) seek information from other regulatory and enforcement agencies regarding violations by lenders of the laws referred in paragraph (3) and make that information available to enterprises; and

(6) direct an enterprise to undertake various remedial actions, including suspension, probation, reprimand, or settlement, against those lenders that have in a final adjudication or an administrative hearing on the record in accordance with subchapter II of chapter 5 of title 5, United States Code, been found to have engaged in discriminatory lending practices in violation of this subsection, the Fair Housing Act, or the Equal Credit Opportunity Act.

SEC. 515. PROHIBITION ON PUBLIC DISCLOSURE OF PROPRIETARY INFORMATION.

(a) IN GENERAL.—The Director may determine, by regulation or order, information that will be accorded treatment as proprietary information. The Director shall not provide public access to, or disclose to the public, information required to be submitted by an enterprise under section 507 that the Director determines is proprietary.

(b) EFFECTIVE DATE OF ORDER.—Any order issued under subsection (a) shall not become effective until 10 days after its issuance.

(c) NONDISCLOSURE PENDING CONSIDERATION.—Nothing in this section authorizes the disclosure to, or examination of data by, the public or a representative of any person or agency, pending the issuance of a final decision under this section.

TITLE VI—CHARTER ACT AMENDMENTS

SEC. 601. AMENDMENTS TO THE FEDERAL NATIONAL MORTGAGE ASSOCIATION CHARTER ACT.

(a) REMOVAL AUTHORITY OF THE PRESIDENT.—Section 308(b) of the Federal National

Mortgage Association Charter Act (12 U.S.C. 1723(b)) is amended in the third sentence after "any such" by inserting "appointed".

(b) GAO AUDITS.—The first sentence of section 309(j) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(j)) is amended to read as follows: "The programs, activities, receipts, expenditures, and financial transactions of the corporation shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General.".

(c) CONSTRUCTION.—Section 309(i) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a) is amended to read as follows:

"(i) CONSTRUCTION.—The powers conferred on the corporation by this title shall be exercised in accordance with the goals and purposes of the Federal Housing Enterprises Regulatory Reform Act of 1992. If the provisions of this title conflict with the provisions of the Federal Housing Enterprises Regulatory Reform Act of 1992, the provisions of that Act shall control.".

(d) CAPITALIZATION.—Section 303 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1718) is amended—

(1) in subsection (a), by adding at the end the following new sentence: "The corporation may issue shares of common stock in return for appropriate payments into capital or capital and surplus.";

(2) by striking subsection (b) and inserting the following new subsection:

"(b) FEES AND EARNINGS.—

"(1) FEES AND CHARGES.—The corporation may impose charges or fees, which may be regarded as elements of pricing, with the objective that all costs and expenses of the operations of the corporation should be within its income derived from such operations and that such operations should be fully self-supporting.

"(2) EARNINGS; GENERAL SURPLUS.—All earnings from the operations of the corporation shall annually be transferred to the general surplus account of the corporation. At any time, funds of the general surplus account may, in the discretion of the board of directors, be transferred to reserves.";

(3) by striking subsection (c) and inserting the following new subsection:

"(c) DISTRIBUTIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the corporation may make such capital distributions as may be declared by the board of directors. All capital distributions shall be charged against the general surplus account of the corporation.

"(2) ADEQUATE CAPITALIZATION REQUIRED.—The corporation may not make any capital distributions that would decrease the capital of the corporation, as such term is defined under section 212 of the Federal Housing Enterprises Regulatory Reform Act of 1992 to an amount less than that sufficient to be classified as adequately capitalized under section 204 of such Act, without prior written approval of the Director of the Office of Federal Housing Enterprise Oversight."; and

(4) in subsection (f)—

(A) by striking "to make payments" and all that follows through "such capital contributions,"; and

(B) by striking "additional shares of such stock," and inserting "shares of common stock of the corporation".

(e) RATIO OF OBLIGATIONS.—

(1) IN GENERAL.—Section 304 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719) is amended—

(A) in subsection (b), by striking the semicolon in the first sentence and all that follows through the end of the second sentence and inserting a period; and

(B) in subsection (e), by striking the fourth sentence.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect when the first classifications are made under section 204(b).

(f) ASSESSMENTS FOR THE OFFICE OF SECONDARY MARKET OVERSIGHT.—The first sentence of section 304(f) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719(f)) is amended by inserting after "section 309(g)" the following: "of this Act and section 105 of the Federal Housing Enterprises Regulatory Reform Act of 1992".

(g) COMPENSATION.—Section 309(d) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(d)) is amended—

(1) in the first sentence of paragraph (2) by striking "as it may determine" and inserting the following: "as the board of directors determines reasonable and comparable with compensation for employment in positions in comparable publicly held financial institutions involving similar duties and responsibilities, except that a significant portion of potential compensation of all executive officers (as such term is defined in paragraph (3)(C)) of the corporation shall be based on the performance of the corporation"; and

(2) by adding at the end the following new paragraph:

"(3)(A) Not later than June 30, 1993, and annually thereafter, the corporation shall submit a report to the Congress on—

"(i) the comparability of the compensation policies of the corporation with the compensation policies of other similar businesses,

"(ii) in the aggregate, the percentage of total cash compensation and payments under employee benefit plans (which shall be defined in a manner consistent with the corporation's proxy statement for the annual meeting of shareholders for the preceding year) earned by executive officers of the corporation during the preceding year that was based on the corporation's performance, and

"(iii) the comparability of the corporation's financial performance with the performance of other similar businesses.

The report shall include a copy of the corporation's proxy statement for the annual meeting of shareholders for the preceding year.

"(B) The corporation may not enter into any agreement to provide any payment of money or other thing of value in connection with the termination of employment of any executive officer of the corporation, unless such agreement is approved in advance by the Director of the Office of Federal Housing Enterprise Oversight. Any such payment made pursuant to any agreement entered into between July 24, 1991, and the date of enactment of the Federal Housing Enterprises Regulatory Reform Act of 1992 may be cancelled unless such agreement is approved by the Director. The Director may not approve any such agreement unless the Director determines that the benefits provided under the agreement are comparable to benefits under such agreements for officers of other public and private entities involved in financial services and housing interests who have comparable duties and responsibilities. For purposes of this subparagraph, any renegotiation, amendment, or change after July 24, 1991, to any such agreement entered into on or before such date shall be considered entering into an agreement.

"(C) For purposes of this paragraph, the term 'executive officer' has the meaning given the term in section 3 of the Federal Housing Enterprises Regulatory Reform Act of 1992.".

(h) GENERAL REGULATORY POWERS.—Section 309(h) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(h)) is repealed.

(i) STOCK ISSUANCES.—The second sentence of section 311 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723c) is amended by striking all that follows "Commission" and inserting a period.

(j) APPROVAL.—Section 302(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)) is amended—

(1) in paragraph (2), by striking "and with the approval of the Secretary of Housing and Urban Development,"; and

(2) in paragraphs (3) and (4), by striking ", with the approval of the Secretary of Housing and Urban Development,".

SEC. 602. AMENDMENTS TO THE FEDERAL HOME LOAN MORTGAGE CORPORATION ACT.

(a) REPEAL OF PROHIBITION ON MORTGAGE LIMITATIONS.—Section 305(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(c)) is repealed.

(b) REPEAL OF PROHIBITION ON PREJUDGMENT ATTACHMENT.—Section 303(f) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(f)) is amended by striking the last sentence.

(c) CONSTRUCTION.—Section 303 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452) is amended by adding at the end the following subsection:

"(h) CONSTRUCTION.—The powers conferred by this title on the Corporation shall be exercised in accordance with the goals and purposes of the Federal Housing Enterprises Regulatory Reform Act of 1992. If the provisions of this title conflict with the provisions of the Federal Housing Enterprises Regulatory Reform Act of 1992, the provisions of that Act shall control.".

(d) GAO AUDITS.—The first sentence of section 307(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1456(b)) is amended to read as follows: "The programs, activities, receipts, expenditures, and financial transactions of the Corporation shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General.".

(e) POWERS OF THE CORPORATION.—Section 303(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(c)) is amended by striking the second and third sentences.

(f) REMOVAL AUTHORITY OF PRESIDENT.—Section 303(a)(2)(B) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2)(B)) is amended by inserting before the period at the end the following: ", except that any appointed member may be removed from office by the President for good cause".

(g) GENERAL REGULATORY POWERS.—Section 303(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(b)) is amended—

(1) by striking paragraphs (1) and (2);

(2) by striking paragraph (3) and inserting the following new paragraph:

"(3)(A) Except as provided in subparagraph (B), the Corporation may make such capital distributions as may be declared by the Board of Directors.

"(B) The Corporation may not make any capital distributions that would decrease the capital of the Corporation (as such term is defined in section 212 of the Federal Housing Enterprises Regulatory Reform Act of 1992)

to an amount less than that sufficient to be classified as adequately capitalized under section 204 of such Act, without prior written approval of the Director of the Office of Federal Housing Enterprise Oversight."; and

(3) by striking paragraphs (4), (6), (7), and (8).

(h) RATIO OF CAPITAL AND OBLIGATIONS.—Effective upon the first classification made under section 204(b), section 303(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(b)) is amended by striking paragraph (5).

(i) COMPENSATION.—Section 303 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452) is amended—

(1) in clause (9) of the first sentence of subsection (c), by inserting after "agents" the following: "as the Board of Directors determines reasonable and comparable with compensation for employment in positions in comparable publicly held financial institutions involving similar duties and responsibilities, except that a significant portion of potential compensation of all executive officers (as such term is defined in subsection (i)(3)) of the Corporation shall be based on the performance of the Corporation"; and

(2) by adding at the end the following new subsection:

"(i)(1) Not later than June 30, 1993, and annually thereafter, the Corporation shall submit a report to the Congress on—

"(A) the comparability of the compensation policies of the Corporation with the compensation policies of other similar businesses,

"(B) in the aggregate, the percentage of total cash compensation and payments under employee benefit plans (which shall be defined in a manner consistent with the Corporation's proxy statement for the annual meeting of shareholders for the preceding year) earned by executive officers of the Corporation during the preceding year that was based on the Corporation's performance, and

"(C) the comparability of the Corporation's financial performance with the performance of other similar businesses.

The report shall include a copy of the Corporation's proxy statement for the annual meeting of shareholders for the preceding year.

"(2) Notwithstanding the first sentence of subsection (c), the Corporation may not enter into any agreement to provide any payment of money or other thing of value in connection with the termination of employment of any executive officer of the Corporation, unless such agreement is approved in advance by the Director of the Office of Federal Housing Enterprise Oversight. Any such payment made pursuant to any agreement entered into between July 24, 1991, and the date of enactment of the Federal Housing Enterprises Regulatory Reform Act of 1992 may be cancelled unless such agreement is approved by the Director. The Director may not approve any such agreement unless the Director determines that the benefits provided under the agreement are comparable to benefits under such agreements for officers of other public and private entities involved in financial services and housing interests who have comparable duties and responsibilities. For purposes of this paragraph, any renegotiation, amendment, or change after July 24, 1991, to any such agreement entered into on or before such date shall be considered entering into an agreement.

"(3) For purposes of this subsection, the term 'executive officer' has the meaning given the term in section 3 of the Federal Housing Enterprises Regulatory Reform Act of 1992.".

(j) CAPITAL STOCK.—Section 304 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1453) is amended—

(1) in subsection (a)(1), by striking "The common stock" and all that follows and inserting the following: "The common stock of the Corporation shall consist of voting common stock, which shall be issued to such holders in the manner and amount, and subject to any limitations on concentration of ownership, as may be established by the Corporation.";

(2) in subsection (a)(2)—

(A) in the first sentence, by striking "nonvoting common stock and the"; and

(B) by striking the last sentence; and

(3) by striking subsections (b), (c), and (d).

(k) MORTGAGE SELLERS.—Section 305(a)(1) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(1)) is amended—

(1) in the first sentence, by striking "from any Federal home loan bank" and all that follows through the end of the sentence.

(2) in the second sentence, by striking ", and the servicing" and all that follows through the end of the sentence and inserting a period.

(l) DEFINITION OF "RESIDENTIAL MORTGAGE".—Section 302(h) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451(h)) is amended in the third sentence by striking "made" and all that follows through "305(a)(1)" and inserting "or purchased from any public utility carrying out activities in accordance with the requirements of title II of the National Energy Conservation Policy Act if the residential mortgage to be purchased is a loan or advance of credit the original proceeds of which are applied for in order to finance the purchase and installation of residential energy conservation measures (as defined in section 210(11) of the National Energy Conservation Policy Act) in residential real estate".

TITLE VII—REGULATION OF FEDERAL HOME LOAN BANK SYSTEM

SEC. 701. PRIMACY OF FINANCIAL SAFETY AND SOUNDNESS FOR FEDERAL HOUSING FINANCE BOARD.

Section 2A(a)(3) of the Federal Home Loan Bank Act (12 U.S.C. 1422a(a)(3)) is amended to read as follows:

"(3) DUTIES.—

"(A) SAFETY AND SOUNDNESS.—The primary duty of the Board shall be to ensure that the Federal Home Loan Banks operate in a financially safe and sound manner.

"(B) OTHER DUTIES.—To the extent consistent with subparagraph (A), the duties of the Board shall also be—

"(i) to supervise the Federal Home Loan Banks;

"(ii) to ensure that the Federal Home Loan Banks carry out their housing finance mission; and

"(iii) to ensure that the Federal Home Loan Banks remain adequately capitalized and able to raise funds in the capital markets.".

SEC. 702. STUDY REGARDING FEDERAL HOME LOAN BANK SYSTEM.

(a) IN GENERAL.—The Federal Housing Finance Board, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of Housing and Urban Development shall each conduct a study regarding the following topics:

(1) The appropriate capital standards for the Federal Home Loan Bank System.

(2) The appropriate relationship between the capital standards for the Federal Home Loan Banks and the capital standards under this Act for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(3) The appropriate relationship between the capital standards for federally insured depository institutions and the capital standards under this Act for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, especially with regard to similar kinds of on-balance sheet and off-balance sheet assets and obligations.

(4) The advantages and disadvantages of expanding the credit products and services of the Federal Home Loan Banks, including a determination of the desirability of—

(A) the purchase by Federal Home Loan Banks of housing-related assets from member institutions, and

(B) the provision by Federal Home Loan Banks of credit enhancements and other products to members in addition to advances.

(5) The advantages and disadvantages of expanding eligible collateral for advances by removing the limits on the amount of housing-related assets that member institutions can use to collateralize advances.

(6) The advantages and disadvantages of further measures to expand the role of the Federal Home Loan Bank System as a support mechanism for community-based lenders and to reinforce the overall role of the Federal Home Loan Bank System in housing finance.

(7) The advantages and disadvantages of further measures to increase membership in, and increase the profitability of, the Federal Home Loan Bank System by modifying—

(A) restrictions on membership and stock purchases of nonqualified thrift lenders;

(B) the advance limit imposed on Federal Home Loan Banks to nonqualified thrift lenders; and

(C) the membership requirement for qualified thrift lenders.

(8) The competitive effect of the mortgage activities of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation on the home mortgage activities of federally insured depository institutions and the cost of such activities to such institutions, the Savings Association Insurance Fund, the Bank Insurance Fund, and the Resolution Trust Corporation.

(9) The likelihood that the Federal Home Loan Banks will be able to continue to pay the amounts required under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(10) The extent to which a reduction in the number of Federal Home Loan Banks would reduce noninterest costs.

(11) The impact that a reduction in the number of Federal Home Loan Banks would have on the effectiveness of affordable housing programs.

(12) The impact that a reduction in the number of Federal Home Loan Banks would have on the availability of affordable housing in rural areas and the ability of small rural financial institutions to provide housing financing.

(13) The current and prospective impact of the Federal Home Loan Bank System on—

(A) the availability and affordability of housing for low- and moderate-income households; and

(B) the relative availability of housing credit across geographic areas, with particular regard to differences depending on whether properties are inside or outside of central cities.

(14) The appropriateness of extending to the Federal Home Loan Bank System the public purposes and housing goals established for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation under this Act and the enterprises' charters.

(b) REPORTS.—Not later than 9 months after the date of the enactment of this Act, the Federal Housing Finance Board, the Comptroller General, the Director of the Congressional Budget Office, and the Secretary of Housing and Urban Development shall each submit to the Congress a report on the studies required under subsection (a) containing any recommendations for legislative action based on the results of the studies.

(c) COMMENTS.—The Secretary of the Treasury, the Director of the Office of Federal Housing Enterprise Oversight, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association shall submit to the Congress any recommendations and opinions regarding the studies under subsection (a), to the extent that the recommendations and views of such officers differ from the recommendations and opinions of the Federal Housing Finance Board, the Comptroller General, the Director of Congressional Budget Office, and the Secretary of Housing and Urban Development.

(d) DEFINITION.—For purposes of this section the term "housing-related assets" means residential mortgages, residential mortgage-related securities, loans or loan participations secured by residential real estate, housing production loans, and warehouse lines of credit for residential mortgage banking activities.

SEC. 703. REPORTS OF FEDERAL HOME LOAN BANKS.

Not later than 9 months after the date of enactment of this Act, the Board of Directors of each Federal Home Loan Bank shall submit to the Congress a report of the directors' evaluation of the costs and benefits of consolidation of the Federal Home Loan Bank System.

SEC. 704. REPORTS OF FEDERAL HOME LOAN BANK MEMBERS.

(a) IN GENERAL.—Not later than 45 days after the date of enactment of this Act, the Board of Directors of each Federal Home Loan Bank shall elect 2 persons who are officers or directors of stockholder institutions of the Federal Home Loan Bank to serve on a panel to be called the "Study Committee".

(b) STUDY AND REPORT.—The Study Committee referred to in subsection (a) shall conduct a study on the topics listed in section 702(a) and on the costs and benefits of consolidation of the Federal Home Loan Bank System. Not later than 9 months after the date of enactment of this Act, the Study Committee shall submit a report to the Congress, the Federal Housing Finance Board, and the presidents of the Federal Home Loan Banks on its findings, including any recommendations for legislative or administrative action, together with any minority views or recommendations.

SEC. 705. FULL-TIME STATUS OF FHFB MEMBERS.

Section 2A(b)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1422(b)(2)) is amended by adding at the end the following new subparagraph:

"(D) BOARD STATUS.—All directors appointed pursuant to paragraph (1)(B) shall serve on a full-time basis beginning on January 1, 1994.".

SEC. 706. EXCEPTION TO REQUIREMENTS FOR ADVANCES UNDER THE FEDERAL HOME LOAN BANK ACT.

Section 10b of the Federal Home Loan Bank Act (12 U.S.C. 1430b) is amended—

(1) in the first sentence, by inserting before "Each" the following:

"(a) IN GENERAL.—"; and

(2) by adding at the end the following new subsection:

"(b) EXCEPTION.—An advance made to a State housing finance agency for the purpose of facilitating mortgage lending that benefits individuals and families that meet the income requirements set forth in section 142(d) or 143(f) of the Internal Revenue Code of 1986, need not be collateralized by a mortgage insured under title II of the National Housing Act or otherwise, if—

"(1) such advance otherwise meets the requirements of this subsection; and

"(2) such advance meets the requirements of section 10(a) of this Act, and any real estate collateral for such loan comprises single family or multifamily residential mortgages.".

TITLE VIII—STUDY OF NATIONAL CONSUMER COOPERATIVE BANK

SEC. 801. STUDY OF NATIONAL CONSUMER COOPERATIVE BANK.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of—

(1) the extent to which the National Consumer Cooperative Bank has achieved its statutory purposes as set forth in the National Consumer Cooperative Bank Act (12 U.S.C. 3001 et seq.) (hereafter in this title referred to as the "Bank Act"); and

(2) the financial safety and soundness of the activities of the Bank and its affiliates.

(b) SPECIFIC REQUIREMENTS.—In conducting the study, the Comptroller General shall examine and evaluate—

(1) the degrees and types of risks that are undertaken by the Bank in the course of its and its affiliates' operations, including credit risk, interest rate risk, management and operational risk, and business risk;

(2) the actual level of risk that exists with respect to the Bank and its affiliates, which shall take account of the volume of debt securities issued by the Bank to the Secretary of the Treasury;

(3) the appropriateness of establishing a more comprehensive structure of safety and soundness regulation of the Bank and its affiliates, including the application of capital standards to the Bank;

(4) the costs and benefits to the public from establishment of a more comprehensive structure of safety and soundness regulation of the Bank and its affiliates, and the impact of such a structure on the capability of the Bank to carry out its purposes under law and the Bank's viability, including the ability of the Bank to obtain funding in the private capital markets;

(5) the quality and timeliness of information currently available to the public and the Federal Government concerning the extent and nature of the activities of the Bank and its affiliates and the financial risks associated with such activities;

(6) the extent to which the Bank has served all types of its eligible borrowers, including consumer cooperatives, self-help cooperatives, and cooperatives serving low-income families;

(7) the extent to which the Bank directly or indirectly has provided technical assistance to all types of its eligible borrowers;

(8) whether the benefit to the Bank of below-market rates of interest on the debt issued by the Bank to the Secretary of the Treasury was utilized and allocated in a manner consistent with the Bank Act;

(9) whether the Bank's compensation of its executive officers has been excessive;

(10) whether the manner in which the Bank has allocated voting rights to its eligible borrowers has conformed with the Bank Act;

(11) whether the Bank otherwise has acted in a manner consistent with the achievement of its purposes and mission under the Bank Act; and

(12) whether the purposes and mission of the Bank under the Bank Act should be modified in light of any changes in the availability to the Bank's eligible borrowers of credit from sources other than the Bank, changes in the economy, and other factors.

(c) PREPARATION OF REPORT.—In conducting the study required by this section, among other matters, the Comptroller General shall take account of—

(1) the examination reports on the Bank prepared by the Farm Credit Administration;

(2) any audits of the Bank by the Comptroller General;

(3) the annual reports of the Bank to the Congress and the annual and quarterly reports and registration statements filed by the Bank with the Securities and Exchange Commission;

(4) any written communications of any kind of the Farm Credit Administration or the Comptroller General to the Congress with respect to the Bank or its affiliates;

(5) the examination reports on the Bank or its affiliates prepared by the Office of Thrift Supervision or the appropriate official of the State of Ohio; and

(6) the views of interested members of the public, including eligible borrowers from the Bank.

(d) REPORT TO CONGRESS.—Within 6 months after enactment of this Act, the Comptroller General shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report that shall set forth—

(1) the results of the study under this section;

(2) any recommendations of the Comptroller General with respect to—

(A) the establishment of a more comprehensive structure of safety and soundness regulation of the Bank and its affiliates;

(B) the appropriate capital standards for the Bank; and

(C) the appropriate regulatory agency for the Bank;

(3) any recommendations of the Comptroller General with respect to—

(A) the manner in which the Bank is carrying out its purposes and mission under the Bank Act;

(B) whether the Bank's purposes and mission under the Bank Act should be changed; and

(C) whether the Bank Act should be otherwise amended; and

(4) any recommendations and opinions of the Secretary of the Treasury regarding the report and, to the extent that the recommendations and views of such officers or agencies differ from the recommendations and opinions of the Comptroller General, any recommendations and opinions of the Farm Credit Administration and the Office of Thrift Supervision regarding the report.

(e) CONSULTATION AND COOPERATION WITH OTHER AGENCIES.—The Comptroller General shall determine the structure and methodology of the study under this section in consultation with the Secretary of the Treasury, the Farm Credit Administration, the Director of the Office of Thrift Supervision, and the Bank.

(f) ACCESS TO RELEVANT INFORMATION.—The Bank shall provide or cause to be provided

full and prompt access to the Comptroller General to the books and records of the Bank and any affiliate of the Bank and shall promptly provide or cause to be provided any other information requested by the Comptroller General. Any information provided by the Bank or any affiliate of the Bank to the Comptroller General that concerns customer relationships and that is confidential in nature shall be retained in confidence by the Comptroller General and shall not be disclosed to the public. In conducting the study under this section, the Comptroller General may request information from, or the assistance of, any department or agency of the Federal Government or of the State of Ohio that is or was authorized by law to examine or supervise any activities of the Bank or any affiliate of the Bank.

TITLE IX—MISCELLANEOUS

Subtitle A—Miscellaneous

SEC. 901. PRIVATIZATION STUDY.

(a) IN GENERAL.—The Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of the Treasury shall conduct a study of the desirability and feasibility of eliminating the Federal sponsorship of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(b) SPECIFIC REQUIREMENTS.—In conducting the study, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of the Treasury shall consider and evaluate—

(1) the legal requirements of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation and the costs to the enterprises if such Federal sponsorship were removed;

(2) the cost of capital to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation with the removal of Federal sponsorship;

(3) the costs to home ownership and the impact on housing affordability and availability of the removal of Federal sponsorship;

(4) the level of competition which might be available in the private sector with the removal of Federal sponsorship;

(5) the potential effect on the cost and availability of residential housing finance of the enactment of bank reforms that would enable banks to enter the securities business;

(6) whether increased amounts of core capital would be necessary with the removal of Federal sponsorship;

(7) the impact of removal of Federal sponsorship upon the secondary market for residential loans and the liquidity of such loans;

(8) the impact of removal of Federal sponsorship upon the risk weighting of assets of insured depository institutions; and

(9) any other factor which the Comptroller General of the United States, the Director of the Congressional Budget Office, or the Secretary of the Treasury deems appropriate to enable the Congress to evaluate the desirability and feasibility of privatization of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(c) REPORT TO CONGRESS.—Within 2 years after the date of enactment of this Act, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of the Treasury shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report that shall set forth—

(1) a summary of the findings under this section;

(2) recommendations to the Congress on the removal of Federal sponsorship, if deemed to be feasible and desirable, which shall include suggestions for an appropriate time frame in which to withdraw Federal sponsorship.

(d) VIEWS OF THE FEDERAL NATIONAL MORTGAGE ASSOCIATION AND THE FEDERAL HOME LOAN MORTGAGE CORPORATION.—

(1) CONSIDERATION OF VIEWS.—In conducting the study under this section, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of the Treasury shall consider the views of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(2) The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation may report directly to the Congress on the enterprises' own analysis of the desirability and feasibility of the removal of Federal sponsorship.

SEC. 902. HOUSING ASSISTANCE IN JEFFERSON COUNTY, TEXAS.

Section 213(e) of the Housing and Community Development Act of 1974 (42 U.S.C. 1439(e)) is amended by striking "the Park Central New Community Project or in adjacent areas that are recognized by the unit of general local government in which such project is located as being included within the Park Central New Town in Town Project." and inserting "Jefferson County, Texas.".

SEC. 903. APPLICABILITY OF SHELTER PLUS CARE.

Section 811 of the Cranston-Gonzalez Affordable Housing Act (42 U.S.C. 8013) is amended—

(1) in subsection (b), by striking "private,"; and

(2) in paragraphs (5) and (6) of subsection (k), by striking "private" each place it appears.

SEC. 904. ADJUSTABLE RATE MORTGAGE CAPS.

Section 1204(d)(2) of the Competitive Equality Banking Act of 1987 (12 U.S.C. 3806(d)(2)) is amended by striking "any loan" and inserting "any home purchase or other consumer loan".

SEC. 905. COMMUNITY DEVELOPMENT AUTHORITY OF BANKS.

(a) NATIONAL BANKS.—Section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by adding at the end the following new paragraph:

"ELEVENTH.—To make investments designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families (such as by providing housing, services, or jobs). A national banking association may make such investments directly or by purchasing interests in an entity primarily engaged in making such investments. An association shall not make any such investment if the investment would expose the association to unlimited liability. The Comptroller of the Currency shall limit an association's investments in any 1 project and an association's aggregate investments under this paragraph. An association's aggregate investments under this paragraph shall not exceed an amount equal to the sum of 5 percent of the association's capital stock actually paid in and unimpaired and 5 percent of the association's unimpaired surplus fund, unless the Comptroller determines by order that the higher amount will pose no significant risk to the affected deposit insurance fund, and the association is adequately capitalized. In no case shall an association's aggregate investments under this paragraph exceed an amount equal to the sum of 10 percent of the association's capital stock actually paid in and unimpaired and 10 percent of the association's unimpaired surplus fund.".

(b) STATE MEMBER BANKS.—Section 9 of the Federal Reserve Act (12 U.S.C. 321-338) is amended by adding at the end the following new paragraph:

"State member banks may make investments designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families (such as by providing housing, services, or jobs), to the extent permissible under State law, and subject to such restrictions and requirements as the Board of Governors of the Federal Reserve System may prescribe by regulation or order. A bank shall not make any such investment if the investment would expose the bank to unlimited liability. The Board of Governors shall limit a bank's investments in any 1 project and a bank's aggregate investments under this paragraph. A bank's aggregate investments under this paragraph shall not exceed an amount equal to the sum of 5 percent of the bank's capital stock actually paid in and unimpaired and 5 percent of the bank's unimpaired surplus fund, unless the Board determines by order that the higher amount will pose no significant risk to the affected deposit insurance fund, and the bank is adequately capitalized.

"In no case shall a bank's aggregate investments under this paragraph exceed an amount equal to the sum of 10 percent of the bank's capital stock actually paid in and unimpaired and 10 percent of the bank's unimpaired surplus fund.".

SEC. 906. SENSE OF THE SENATE.

(a) FINDINGS.—The Congress finds that—

(1) the two housing Government-sponsored enterprises, the Federal National Mortgage Association (hereafter in this section referred to as "Fannie Mae") and the Federal Home Loan Mortgage Corporation (hereafter in this section referred to as "Freddie Mac") have issued or guaranteed nearly $900,000,000,000 of securities which are currently outstanding;

(2) Fannie Mae and Freddie Mac are privately owned, profitmaking enterprises whose securities are viewed by investors as having an implicit Federal guarantee;

(3) investor perception of a Federal guarantee, as the savings and loan crisis demonstrates, removes market discipline, reduces incentives to maintain strong capital positions, and distorts financial decisions;

(4) the outstanding obligations of Fannie Mae and Freddie Mac exceed those in the entire savings and loan industry;

(5) the existing regulatory structure and oversight of the Fannie Mae and Freddie Mac has been inadequate;

(6) history has shown that a regulator charged with protecting taxpayer dollars must be independent of other policymaking entities;

(7) this Act takes concrete steps to establish safety and soundness regulation of Fannie Mae and Freddie Mac;

(8) this Act creates an independent regulatory office, the Office of Federal Housing Enterprise Oversight, in the Department of Housing and Urban Development; and

(9) the independence of the Office cannot be compromised without impairing the ability of the regulator to ensure that the Fannie Mae and Freddie Mac are adequately capitalized and operating safely.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that any final Government-

sponsored enterprise legislation should make it clear that the independence of the regulator overseeing the safety and soundness of Fannie Mae and Freddie Mac should not be compromised.

SEC. 907. 4-MONTH EXTENSION OF TRANSITION RULE FOR SEPARATE CAPITALIZATION OF SAVINGS ASSOCIATIONS' SUBSIDIARIES.

Section 5(t)(5)(D)(ii) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(t)(5)(D)(ii)) is amended—

(1) by striking "June 30, 1992" and inserting "October 31, 1992"; and

(2) by striking "July 1, 1992" and inserting "November 1, 1992".

SEC. 908. CREDIT CARD SALES.

(a) IN GENERAL.—Section 11(e) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)) is amended by adding at the end the following new paragraphs:

"(14) SELLING CREDIT CARD ACCOUNTS RECEIVABLE.—

"(A) NOTIFICATION REQUIRED.—An undercapitalized insured depository institution (as defined in section 38) shall notify the Corporation in writing before entering into an agreement to sell credit card accounts receivable.

"(B) WAIVER BY CORPORATION.—The Corporation may at any time, in its sole discretion and upon such terms as it may prescribe, waive its right to repudiate an agreement to sell credit card accounts receivable if the Corporation—

"(i) determines that the waiver is in the best interests of the deposit insurance fund; and

"(ii) provides a written waiver to the selling institution.

"(C) EFFECT OF WAIVER ON SUCCESSORS.—

"(i) IN GENERAL.—If, under subparagraph (B), the Corporation has waived its right to repudiate an agreement to sell credit card accounts receivable—

"(I) any provision of the agreement that restricts solicitation of a credit card customer of the selling institution, or the use of a credit card customer list of the institution, shall bind any receiver or conservator of the institution; and

"(II) the Corporation shall require any acquirer of the selling institution, or of substantially all of the selling institution's assets or liabilities, to agree to be bound by a provision described in subclause (I) as if the acquirer were the selling institution.

"(ii) EXCEPTION.—Clause (i)(II) does not—

"(I) restrict the acquirer's authority to offer any product or service to any person identified without using a list of the selling institution's customers in violation of the agreement;

"(II) require the acquirer to restrict any preexisting relationship between the acquirer and a customer; or

"(III) apply to any transaction in which the acquirer acquires only insured deposits.

"(D) WAIVER NOT ACTIONABLE.—The Corporation shall not, in any capacity, be liable to any person for damages resulting from waiving or failing to waive the Corporation's right under this section to repudiate any contract or lease, including an agreement to sell credit card accounts receivable. No court shall issue any order affecting any such waiver or failure to waive.

"(E) OTHER AUTHORITY NOT AFFECTED.—This paragraph does not limit any other authority of the Corporation to waive the Corporation's right to repudiate an agreement or lease under this section.

"(15) CERTAIN CREDIT CARD CUSTOMER LISTS PROTECTED.—

"(A) IN GENERAL.—If any insured depository institution sells credit card accounts receivable under an agreement negotiated at arm's length that provides for the sale of the institution's credit card customer list, the Corporation shall prohibit any party to a transaction with respect to the institution under this section or section 13 from using the list except as permitted under the agreement.

"(B) FRAUDULENT TRANSACTIONS EXCLUDED.—Subparagraph (A) does not limit the Corporation's authority to repudiate any agreement entered into with the intent to hinder, delay, or defraud the institution, the institution's creditors, or the Corporation.".

(b) INTERIM DEFINITION OF UNDERCAPITALIZATION.—During the period beginning on the date of enactment of this Act and ending on the effective date of section 38 of the Federal Deposit Insurance Act (12 U.S.C. 1831o), an insured depository institution is undercapitalized for purposes of section 11(e)(14) of the Federal Deposit Insurance Act (as added by subsection (a) of this section), if it does not comply with any currently applicable minimum capital standard prescribed by the appropriate Federal banking agency, as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)).

SEC. 909. REAL ESTATE APPRAISAL AMENDMENT.

Section 1113 of the Financial Institution Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3342) is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2), by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (2) the following:

"(3) THRESHOLD LEVEL.—Each Federal financial institutions regulatory agency and the Resolution Trust Corporation may establish a threshold level at or below which a certified or licensed appraiser is not required to perform appraisals in connection with federally related transactions, if such agency determines in writing that such threshold level does not represent a threat to the safety and soundness of financial institutions.".

SEC. 910. EXTENSION OF CIVIL STATUTE OF LIMITATIONS.

(a) RESOLUTION TRUST CORPORATION.—Section 11(d)(14) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(14)) is amended—

(1) in subparagraph (A)(ii), by inserting "except as provided in subparagraph (B)," before "in the case of";

(2) by redesignating subparagraph (B) as subparagraph (C);

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) TORT ACTIONS BROUGHT BY THE RESOLUTION TRUST CORPORATION.—The applicable statute of limitations with regard to any action in tort brought by the Resolution Trust Corporation in its capacity as conservator or receiver of a failed savings association shall be the longer of—

"(i) the 5-year period beginning on the date the claim accrues; or

"(ii) the period applicable under State law."; and

(4) in subparagraph (C), as redesignated—

(A) by striking "subparagraph (A)" and inserting "subparagraphs (A) and (B)"; and

(B) by striking "such subparagraph" and inserting "such subparagraphs".

(b) EFFECTIVE DATE; TERMINATION; FDIC AS SUCCESSOR.—

(1) EFFECTIVE DATE.—The amendments made by subsection (a) shall be construed to have the same effective date as section 212 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(2) TERMINATION.—The amendments made by subsection (a) shall remain in effect only until the termination of the Resolution Trust Corporation.

(3) FDIC AS SUCCESSOR TO THE RTC.—The Federal Deposit Insurance Corporation, as successor to the Resolution Trust Corporation, shall have the right to pursue any tort action that was properly brought by the Resolution Trust Corporation prior to the termination of the Resolution Trust Corporation.

SEC. 911. AGGREGATE LIMITS ON INSIDER LENDING.

Section 22(h)(5) of the Federal Reserve Act (12 U.S.C. 375b(5)) is amended by adding at the end the following new subparagraph:

"(D) EXTENSIONS OF CREDIT SECURED BY FEDERAL OBLIGATIONS EXCLUDED.—For purposes of this paragraph, the term 'extension of credit' does not include an extension of credit fully secured by—

"(i) an obligation of the United States; or

"(ii) an obligation with respect to which the United States fully guarantees the payment of principal and interest.".

SEC. 912. CLARIFICATION OF COMPENSATION STANDARDS.

Section 39 of the Federal Deposit Insurance Act (12 U.S.C. 1831s) is amended—

(1) in subsection (d), by adding at the end the following: "An appropriate Federal banking agency may not prescribe standards or regulations under subsection (a), (b), or (c) that set a specific level or range of compensation for officers, directors, or employees of insured depository institutions."; and

(2) in subsection (e)(1)(A), by striking "(a), (b), or (c)" and inserting "(a) or (b)".

SEC. 913. TRUTH IN SAVINGS ACT AMENDMENTS.

(a) TIMING OF CERTAIN DISCLOSURES.—Section 266 of the Truth in Savings Act (12 U.S.C. 4305) is amended—

(1) by striking subsection (a)(3), and inserting the following:

"(3) provided to a depositor, in the case of a time deposit that is renewable at maturity without notice from the depositor and that has a period of maturity of 2 years or more, not later than 15 days before the date of maturity."; and

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

"(f) DISCLOSURES FOR RENEWAL OF CERTAIN ACCOUNTS.—

"(1) RENEWAL NOTICE.—A renewal notice shall be provided to the depositor with respect to a time deposit that has a maturity period greater than 1 month and less than 2 years that is renewable at maturity without notice from the depositor, as follows—

"(A) with respect to a time deposit that has a period of maturity of more than 3 months, but less than 2 years, not later than 15 days before the date of maturity; and

"(B) with respect to a time deposit that has a period of maturity of more than 1 month, but less than 3 months, not later than such time as the Board determines by regulation to be appropriate, in accordance with the purposes of this Act.

"(2) CONTENTS OF NOTICE.—A renewal notice required under this subsection shall state—

"(A) the maturity date of the expiring time deposit;

"(B) the maturity date or the term of the renewed time deposit;

"(C) any penalty for early withdrawal;

"(D) any change to the terms or conditions of the time deposit adverse to the customer, unless a notice under subsection (c) has been provided to the account holder;

"(E) the date on which the annual percentage yield and simple rate of interest will be determined; and

"(F) a telephone number to obtain the annual percentage yield and simple rate of interest that will be paid when the account is renewed.

"(3) RENEWAL OF SHORT-TERM TIME DEPOSITS.—With respect to a time deposit that has a period of maturity of 1 month or less and that is renewable at maturity without notice from the depositor, the Board may, by regulation, require that a notice be provided to an account holder at such time and containing such information as the Board determines appropriate, in accordance with the purposes of this Act.".

(b) ON-PREMISES DISPLAYS.—Section 263 of the Truth in Savings Act (12 U.S.C. 4302) is amended—

(1) in subsection (a), by striking "subsection (b)" and inserting "subsections (b) and (c)";

(2) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(3) by inserting after subsection (b) the following new subsection:

"(c) DISCLOSURE REQUIRED FOR ON-PREMISE DISPLAYS.—

"(1) IN GENERAL.—The disclosure requirements contained in this section shall not apply to any sign (including a rate board) disclosing a rate or rates of interest that is displayed on the premises of the depository institution if such sign contains—

"(A) the accompanying annual percentage yield; and

"(B) a statement that the consumer should request further information from an employee of the depository institution concerning the fees and terms applicable to the advertised account.

"(2) DEFINITION.—For purposes of paragraph (1), a sign shall only be considered to be displayed on the premises of a depository institution if the sign is designed to be viewed only from the interior of the premises of the depository institution.".

(c) EFFECTIVE DATE.—Section 269(a)(2) of the Truth in Savings Act (12 U.S.C. 4308(a)(2)) is amended by striking "6" and inserting "9".

Beginning with page 143, line 18, strike through page 155, line 14, and insert the following:

Subtitle B—Presidential Insurance Commission

SEC. 921. SHORT TITLE.

This subtitle may be cited as the "Presidential Insurance Commission Act of 1992".

SEC. 922. FINDINGS.

The Congress finds that—

(1) the property and casualty insurance, life insurance, health insurance, and reinsurance industries play a major and vital role in the capital formation and lending in the United States economy;

(2) at the end of 1989, life and health and property and casualty insurers combined controlled just under $1,800,000,000,000 in assets invested in the United States;

(3) these insurer assets represented slightly less than 18 percent of the financial assets of all non-governmental financial intermediaries in the United States;

(4) of total United States assets, insurers controlled—

(A) 50.7 percent of all United States held corporate and foreign bonds;

(B) 32.1 percent of all tax-exempt bonds;

(C) 13.8 percent of United States Treasury securities;

(D) 18.2 percent of Federal agency securities;

(E) 12.2 percent of mortgages;

(F) 14.7 percent of corporate equities;

(G) 10.3 percent of open market paper; and

(H) 12 percent of all other United States assets; and

(5) a Presidential commission should be established to carry out the duties described in section 924.

SEC. 923. ESTABLISHMENT.

There is established a Presidential Commission on Insurance (hereafter in this subtitle referred to as the "Commission").

SEC. 924. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall assess the condition of the property and casualty insurance, life insurance, and reinsurance industries, including consideration of—

(1) the present and long-term financial health of the companies in such industries and the importance of that financial health to other aspects of the national economy, including the impact on other financial institutions;

(2) the effect of the decline of real estate values and noninvestment grade bond holdings on the financial health of the companies in such industries;

(3) the effect of current and projected guaranty fund assessments, under different insolvency scenarios, on the financial health of the companies in such industries;

(4) the effect of residual markets on the competitiveness of voluntary insurance markets and on the financial health of the companies in such industries;

(5) the causes of company insolvencies in the last 5 years;

(6) the effect of State and Federal liability systems, including with respect to long-term liability, on insurance industry solvency and the appropriateness of the present allocation of Federal and State responsibilities in the underlying liability systems;

(7) the effect of State regulation of companies in such industries with respect to—

(A) solvency (including the quality and consistency of regulation and the adequacy of insurance regulatory resources);

(B) consumer protection and competition (including pricing, product development, the adequacy of information to consumers, the transfer by companies of the policies of individual policyholders between companies, and any other relevant matters);

(C) reinsurance (including the authority of State regulators to regulate offshore reinsurers doing business in the United States); and

(D) the appropriateness of the present allocation of Federal and State responsibilities in regulating insurance;

(8) the efficiency of the present system for liquidation of insolvent insurance companies;

(9) the adequacy of State and Federal civil and criminal enforcement authority and activity; and whether any State law or regulatory action inhibits competition or efficiency or impairs insurer solvency;

(10) the condition of current State guaranty funds, including consideration of—

(A) the adequacy of assured payout to policyholders, including an assessment of the sufficiency of existing State guaranty associations to guarantee all policyholders payments, up to the limits of coverage under the funds, under a variety of industry insolvency scenarios;

(B) the effect of proposed changes in these funds by the National Association of Insurance Commissioners, including consideration of the timeliness with which such changes are likely to be adopted and implemented;

(C) the capability of a post-insolvency assessment system to meet large insolvencies in a timely manner;

(D) the effect on policyholders of differences in the amount of liability coverage offered by the funds from State to State and of differences in eligibility rules from State to State; and

(E) the appropriateness of the extent of protection provided to individual policyholders and corporate policyholders;

(11) the effect of Federal, State, and local taxes on the solvency of companies in such industries, and the effect of State tax-offsets for guaranty fund assessments on taxpayers under a variety of industry insolvency scenarios; and

(12) whether there are some forms of catastrophic risks that deserve special insurance treatment.

(b) REPORT.—On the basis of the Commission's findings under subsection (a), the Commission shall submit the report required by section 928.

SEC. 925. MEMBERSHIP AND COMPENSATION.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 25 members, including—

(1) the Secretary of the Treasury;

(2) the Secretary of Labor;

(3) the Secretary of Transportation;

(4) the Secretary of Commerce;

(5) the Chairman of the Federal Trade Commission;

(6) the Attorney General of the United States;

(7) 5 Members of the United States House of Representatives appointed by the Speaker of the House of Representatives from the committees of appropriate jurisdiction, of which 3 shall be appointed upon the recommendation of the Chairmen of such committees and 2 shall be appointed upon the recommendation of the Minority Leader;

(8) 5 Members of the United States Senate appointed by the President pro tempore of the Senate, of which 3 shall be appointed upon the recommendation of the Chairmen of the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, and the Committee on the Judiciary, and 2 shall be appointed upon the recommendation of the Minority Leader; and

(9) 9 members, who are not Federal employees, who have expertise in insurance, financial services, antitrust, liability law and consumer issues, at least 1 of whom has expertise in State regulation of insurance, at least 2 of whom has expertise in the business of insurance and at least 2 of whom have expertise in consumer issues, to be appointed by the President.

(b) DESIGNEES.—An appropriate designee of any member described in paragraphs (1) through (8) of subsection (a) may serve on the Commission in the place of such member and under the same terms and conditions as such member.

(c) CONSULTATION BY THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury shall consult with—

(1) the Chairman of the Board of Governors of the Federal Reserve System;

(2) the Chairperson of the Federal Deposit Insurance Corporation; and

(3) the Chairman of the Securities and Exchange Commission,

with respect to all financial and other matters within their respective jurisdictions that are under consideration by the Commission.

(d) ELIGIBILITY.—No member or officer of the Congress, or other member or officer of the Executive Branch of the United States Government may be appointed to be a member of the Commission pursuant to paragraph (9) of subsection (a).

(e) TERMS.—

(1) IN GENERAL.—Each member shall be appointed for the life of the Commission.

(2) VACANCY.—A vacancy on the Commission shall be filled in the same manner in which the original appointment was made.

(f) COMPENSATION.—

(1) IN GENERAL.—Members of the Commission appointed pursuant to subsection (a)(9) shall be compensated at a rate equal to the annual rate of basic pay for GS-18 of the General Schedule.

(2) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(g) QUORUM.—

(1) MAJORITY.—A majority of the members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(2) APPROVAL OF ACTIONS.—All recommendations and reports of the Commission required by this subtitle shall be approved only by a majority vote of a quorum of the Commission.

(h) CHAIRPERSON.—The President shall select 1 member appointed pursuant to subsection (a)(9) to serve as the Chairperson of the Commission.

(i) MEETINGS.—The Commission shall meet at the call of the Chairperson or a majority of the members.

SEC. 926. POWERS OF COMMISSION.

(a) HEARINGS AND SESSIONS.—The Commission may—

(1) hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate; and

(2) administer oaths or affirmations to witnesses appearing before the Commission,

for the purpose of carrying out this subtitle.

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this subtitle.

(c) SUBPOENA POWER.—

(1) IN GENERAL.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any matter under investigation by the Commission.

(2) ADMINISTRATIVE ASPECTS OF SUBPOENA.—

(A) ATTENDANCE OR PRODUCTION AT DESIGNATED SITE.—The attendance of witnesses and the production of evidence may be required from any place within the United States at any designated place of hearing within the United States.

(B) FEES AND TRAVEL EXPENSES.—Persons served with a subpoena under this subsection shall be paid the same fees and mileage for travel within the United States that are paid witnesses in Federal courts.

(C) NO LIABILITY FOR OTHER EXPENSES.—The Commission and the United States shall not be liable for any expense, other than an expense described in subparagraph (B), incurred in connection with the production of any evidence under this subsection.

(3) CONFIDENTIALITY.—Information obtained under this section which is deemed confidential, or with reference to which a request for confidential treatment is made by the person furnishing such information, shall be exempt from disclosure under section 552 of title 5, United States Code, and such information shall not be published or disclosed unless the Commission determines that the withholding thereof is contrary to the national interest. The provisions of the preceding sentence shall not apply to the publication or disclosure of data that are aggregated in a manner that ensures protection of the identity of the person furnishing such data.

(4) FAILURE TO OBEY A SUBPOENA.—

(A) APPLICATION TO COURT.—If a person refuses to obey a subpoena issued under paragraph (1), the Commission may apply to a district court of the United States for an order requiring that person to appear before the Commission to give testimony or produce evidence, as the case may be, relating to the matter under investigation.

(B) JURISDICTION OF COURT.—The application may be made within the judicial district where the hearing is conducted or where that person is found, resides, or transacts business.

(C) FAILURE TO COMPLY WITH ORDER.—Any failure to obey the order of the court may be punished by the court as civil contempt.

(5) SERVICE OF SUBPOENAS.—The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(6) SERVICE OF PROCESS.—All process of any court to which application is to be made under paragraph (3) may be served in the judicial district in which the person required to be served resides or may be found.

(d) OBTAINING OFFICIAL DATA.—

(1) AUTHORITY.—Notwithstanding any provision of section 552a of title 5, United States Code, the Commission may secure directly from any department or agency of the United States information necessary to enable the Commission to carry out this subtitle.

(2) PROCEDURE.—Upon request of the Chairperson of the Commission, the head of that department or agency shall furnish the information requested to the Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this subtitle.

SEC. 927. STAFF OF COMMISSION; EXPERTS AND CONSULTANTS.

(a) STAFF.—Subject to such regulations as the Commission may prescribe, the Chairperson may appoint and fix the pay of such personnel as the Chairperson considers appropriate.

(b) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

(c) EXPERTS AND CONSULTANTS.—Subject to rules prescribed by the Commission, the Chairperson may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the annual rate of basic pay payable for GS-18 of the General Schedule.

(d) STAFF OF FEDERAL AGENCIES.—Upon request of the Chairperson, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this subtitle.

SEC. 928. REPORT.

Not later than May 31, 1993, the Commission shall submit to the President and the Congress a final report containing a detailed statement of its findings, together with any recommendations for legislation or administrative action that the Commission considers appropriate, in accordance with the requirements of section 924.

SEC. 929. TERMINATION.

The Commission shall terminate not later than 60 days following submission of the report required by section 928.

SEC. 930. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $3,000,000 to carry out the purposes of this subtitle.

Subtitle C—Secondary Market for Commercial Mortgage and Small Business Loans

SEC. 931. SHORT TITLE.

This subtitle may be cited as the "Secondary Market for Commercial Real Estate Mortgage and Small Business Loans Act of 1992".

SEC. 932. PURPOSE.

The purpose of this subtitle is to enable the Congress to gain an understanding of legal, regulatory, and market-based impediments to developing a secondary market for commercial real estate mortgage loans and loans to small businesses.

SEC. 933. FINDINGS.

The Congress finds that—

(1) the secondary market for residential real estate mortgage loans has created liquidity and diversified risk in the home mortgage lending market, has maintained an adequate flow of mortgage credit to homebuyers, and has stabilized mortgage loan prices across the country;

(2) an active and liquid secondary market for commercial real estate mortgage and small business loans has not developed despite the apparent benefits for lenders and homeowners in the residential market and the potential benefits to lenders and borrowers on the commercial market;

(3) a major impediment to the creation of a secondary market for commercial real estate mortgages and small business loans is the lack of standardization in such mortgages, including loan documents, underwriting, loan terms, credit enhancement, security product design and packaging, and ratings; and

(4) standardization of commercial real estate mortgage and small business loans and the elimination of legal and regulatory barriers would enhance the development of a broader, more liquid secondary market for commercial real estate mortgage and small business loans through private sector initiatives and resources.

SEC. 934. SECONDARY MARKET FOR COMMERCIAL MORTGAGE AND SMALL BUSINESS LOANS.

(a) STUDY AND REPORT BY THE TREASURY, THE CBO, AND THE SEC.—

(1) STUDY.—The Secretary of the Treasury, the Director of the Congressional Budget Office, and the Chairman of the Securities and Exchange Commission, in consultation with the Administrator of the Small Business Administration, shall conduct a study of the potential costs and benefits of, and legal, regulatory, and market-based barriers to, developing a secondary market for commercial real estate mortgage loans and loans to

small businesses, including equipment and working capital loans. The study shall include consideration of—

(A) market perceptions and the reasons for the slow development of a secondary market for commercial real estate mortgage loans and loans to small businesses;

(B) the acquisition, development, and construction phases of the commercial real estate market;

(C) any means to standardize loan documents and underwriting for loans relating to retail, office space, and other segments of the commercial real estate market and for loans to small businesses;

(D) the probable effects of the development of a secondary market for commercial real estate mortgage loans and loans to small businesses on financial institutions and intermediaries, borrowers, lenders, real estate markets, and the credit markets generally;

(E) legal and regulatory barriers that may be impeding the development of a secondary market for commercial real estate mortgage loans and loans to small businesses;

(F) the risks posed by investments in commercial mortgage loans or related products and loans to small businesses; and

(G) the structure and effect of Federal loan guarantees and, if recommended, publicly supported credit enhancement.

(2) REPORT.—Not later than 6 months after the date of enactment of this Act, the Secretary of the Treasury, the Director of the Congressional Budget Office, and the Chairman of the Securities and Exchange Commission shall transmit to the Congress a report on the results of the study under paragraph (1). The report shall include recommendations for legislation and regulatory actions to facilitate the development of a secondary market for commercial real estate mortgage loans and loans to small businesses.

(b) STUDY AND REPORT BY THE RTC.—

(1) STUDY.—The chief executive officer of the Resolution Trust Corporation (hereafter in this subtitle referred to as the "RTC") shall conduct a study that focuses on—

(A) efforts by the RTC to standardize its disposition methods;

(B) the success of the RTC in marketing its commercial mortgage loan-backed securities; and

(C) the impact of the RTC's programs on the commercial real estate mortgage loan and small business loan secondary market.

(2) REPORT.—Not later than 6 months after the date of enactment of this Act, the chief executive officer of the RTC shall transmit a report to the Congress on the impact of its commercial real estate loan securitization program. Such report shall also contain the results of the study under paragraph (1).

Subtitle D—Asset Conservation and Deposit Insurance Protection

SEC. 941. SHORT TITLE.

This subtitle may be cited as the "Asset Conservation and Deposit Insurance Protection Act of 1992".

SEC. 942. ASSET CONSERVATION AND DEPOSIT INSURANCE PROTECTION.

(a) CERCLA AMENDMENTS.—The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) is amended by inserting after section 126 the following new section:

"SEC. 127. ASSET CONSERVATION.

"(a) LIABILITY LIMITATIONS.—

"(1) IN GENERAL.—The liability of an insured depository institution or other lender under this Act or subtitle I of the Solid Waste Disposal Act for the release or threatened release of petroleum or a hazardous substance at, from, or in connection with property—

"(A) acquired through foreclosure;

"(B) held, directly or indirectly, in a fiduciary capacity;

"(C) held by a lessor pursuant to the terms of an extension of credit; or

"(D) subject to financial control or financial oversight pursuant to the terms of an extension of credit,

shall be limited to the actual benefit conferred on such institution or lender by a removal, remedial, or other response action undertaken by another party.

"(2) SAFE HARBOR.—An insured depository institution or other lender shall not be liable under this Act or subtitle I of the Solid Waste Disposal Act and shall not be deemed to have participated in management, as described in section 101(20)(A) of this Act or section 9003(h)(9) of the Solid Waste Disposal Act, based solely on the fact that the institution or lender—

"(A) holds a security interest or abandons or releases its security interest in the property before foreclosure;

"(B) has the unexercised capacity to influence operations at or on property in which it has a security interest;

"(C) includes in the terms of an extension of credit (or in the contract relating thereto), covenants, warranties, or other terms and conditions that relate to compliance with environmental laws;

"(D) monitors or enforces the terms and conditions of the extension of credit;

"(E) monitors or undertakes one or more inspections of the property;

"(F) requires cleanup of the property prior to, during, or upon the expiration of the term of the extension of credit;

"(G) provides financial or other advice or counseling in an effort to mitigate, prevent, or cure default or diminution in the value of the property;

"(H) restructures, renegotiates, or otherwise agrees to alter the terms and conditions of the extension of credit;

"(I) exercises whatever other remedies that may be available under applicable law for the breach of any term or condition of the extension of credit; or

"(J) declines to take any of the actions described in this paragraph.

"(b) ACTUAL BENEFIT.—For the purpose of this section, the actual benefit conferred on an institution or lender by a removal, remedial, or other response action shall be equal to the net gain, if any, realized by such institution or lender due to such action. For purposes of this subsection, the 'net gain' shall not exceed the amount realized by the institution or lender on the sale of property.

"(c) EXCLUSION.—Notwithstanding subsection (a), but subject to the provisions of section 107(d), a depository institution or lender that causes or significantly and materially contributes to the release of petroleum or a hazardous substance that forms the basis for liability described in subsection (a), may be liable for removal, remedial, or other response action pertaining to that release.

"(d) ENVIRONMENTAL ASSESSMENTS.—

"(1) DEPOSITORY INSTITUTIONS.—The Federal Deposit Insurance Corporation, in consultation with the Administrator of the Environmental Protection Agency, shall promulgate regulations to implement this section. Such regulations shall include requirements for insured depository institutions to develop and implement adequate procedures to evaluate actual and potential environmental risks that may arise from or at property prior to making an extension of credit secured by such property. The regulations may provide for different types of environmental assessments as may be appropriate under the circumstances, in order to account for the levels of risk that may be posed by different classes of collateral. Failure to comply with the environmental assessment regulations promulgated under this subsection shall be deemed to be a violation of a regulation promulgated under the Federal Deposit Insurance Act.

"(2) LENDERS.—The Federal Deposit Insurance Corporation, in consultation with the Administrator of the Environmental Protection Agency, shall promulgate regulations that are substantially similar to those promulgated under paragraph (1) to assure that lenders develop and implement procedures to evaluate actual and potential environmental risks that may arise from or at property prior to making an extension of credit secured by such property. The regulations may provide for exclusions or different types of environmental assessments in order to take into account the level of risk that may be posed by particular classes of collateral.

"(3) FINAL REGULATIONS.—Final regulations required to be promulgated pursuant to paragraphs (1) and (2) shall be issued not later than 180 days after the date of enactment of this section.

"(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) PROPERTY ACQUIRED THROUGH FORECLOSURE.—The term 'property acquired through foreclosure' or 'acquires property through foreclosure' means property acquired, or the act of acquiring property, from a nonaffiliated party by an insured depository institution or other lender—

"(A) through purchase at sales under judgment or decree, power of sales, nonjudicial foreclosure sales, or from a trustee, deed in lieu of foreclosure, or similar conveyance, or through repossession, if such property was security for an extension of credit previously contracted;

"(B) through conveyance pursuant to an extension of credit previously contracted, including the termination of a lease agreement; or

"(C) through any other formal or informal manner by which the insured depository institution or other lender temporarily acquires, for subsequent disposition, possession of collateral in order to protect its interest. Property is not acquired through foreclosure if the insured depository institution or lender does not seek to sell or otherwise divest such property at the earliest practical, commercially reasonable time, taking into account market conditions and legal and regulatory requirements.

"(2) LENDER.—The term 'lender' means—

"(A) a person (other than an insured depository institution) that—

"(i) makes a bona fide extension of credit to a nonaffiliated party; and

"(ii) substantially and materially complies with the environmental assessment requirements imposed under subsection (d), after final regulations under that subsection become effective;

and the successors and assigns of such person;

"(B) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Agricultural Mortgage Corporation, or other entity that in a bona fide manner is engaged in the business of buying or selling loans or interests there-

in, if such Association, Corporation, or entity requires institutions from which it purchases loans (or other obligations) to comply substantially and materially with the requirements of subsection (d), after final regulations under that subsection become effective; and

"(C) any person regularly engaged in the business of insuring or guaranteeing against a default in the repayment of an extension of credit, or acting as a surety with respect to an extension of credit, to nonaffiliated parties.

"(3) FIDUCIARY CAPACITY.—The term 'fiduciary capacity' means acting for the benefit of a nonaffiliated person as a bona fide—

"(A) trustee;

"(B) executor;

"(C) administrator;

"(D) custodian;

"(E) guardian of estates;

"(F) receiver;

"(G) conservator;

"(H) committee of estates of lunatics; or

"(I) any similar capacity.

"(4) EXTENSION OF CREDIT.—The term 'extension of credit' includes a lease finance transaction—

"(A) in which the lessor does not initially select the leased property and does not during the lease term control the daily operations or maintenance of the property; or

"(B) which conforms with regulations issued by the appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) or the appropriate State banking regulatory authority.

"(5) INSURED DEPOSITORY INSTITUTION.—The term 'insured depository institution' has the same meaning as in section 3(c) of the Federal Deposit Insurance Act, and shall also include—

"(A) a federally insured credit union;

"(B) a bank or association chartered under the Farm Credit Act of 1971; and

"(C) a leasing or trust company that is an affiliate of an insured depository institution (as such term is defined in this paragraph).

"(6) RELEASE.—The term 'release' has the same meaning as in section 101(22), and also includes the threatened release, use, storage, disposal, treatment, generation, or transportation of a hazardous substance.

"(7) HAZARDOUS SUBSTANCE.—The term 'hazardous substance' has the same meaning as in section 101(14).

"(8) SECURITY INTEREST.—The term 'security interest' includes rights under a mortgage, deed of trust, assignment, judgment lien, pledge, security agreement, factoring agreement, lease, or any other right accruing to a person to secure the repayment of money, the performance of a duty, or some other obligation.

"(f) SAVINGS CLAUSE.—Nothing in this section shall affect the rights or immunities or other defenses that are available under this Act or other applicable law to any party subject to the provisions of this section. Nothing in this section shall be construed to create any liability for any party. Nothing in this section shall create a private right of action against a depository institution or lender or against a Federal banking or lending agency.

"(g) EFFECTIVE DATE.—This section shall become effective upon the date of its enactment.".

(b) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(1) by redesignating section 39 (as added by section 132(a) of the Federal Deposit Insurance Corporation Improvement Act of 1991) as section 42;

(2) by redesignating section 40 (as added by section 151(a)(1) of the Federal Deposit Insurance Corporation Improvement Act of 1991) as section 43; and

(3) by adding at the end the following new section:

"SEC. 44. ASSET CONSERVATION.

"(a) GOVERNMENTAL ENTITIES.—

"(1) BANKING AND LENDING AGENCIES.—Except as provided in paragraph (2), a Federal banking or lending agency shall not be liable under any law imposing strict liability for the release or threatened release of petroleum or a hazardous substance at or from property (including any right or interest therein) acquired—

"(A) in connection with the exercise of receivership or conservatorship authority, or the liquidation or winding up of the affairs of an insured depository institution, including any of its subsidiaries;

"(B) in connection with the provision of loans, discounts, advances, guarantees, insurance or other financial assistance; or

"(C) in connection with property received in any civil or criminal proceeding, or administrative enforcement action, whether by settlement or order.

"(2) APPLICATION OF STATE LAW.—Nothing in this section shall be construed as preempting, affecting, applying to, or modifying any State law, or any rights, actions, cause of action, or obligations under State law, except that liability under State law shall not exceed the value of the agency's interest in the asset giving rise to such liability. Nothing in this section shall be construed to prevent a Federal banking or lending agency from agreeing with a State to transfer property to such State in lieu of any liability that might otherwise be imposed under State law.

"(3) LIMITATION.—Notwithstanding paragraph (1), and subject to section 107(d) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, a Federal banking or lending agency that causes or significantly and materially contributes to the release of petroleum or a hazardous substance that forms the basis for liability described in paragraph (1), may be liable for removal, remedial, or other response action pertaining to that release.

"(4) SUBSEQUENT PURCHASER.—The immunity provided by paragraph (1) shall extend to the first subsequent purchaser of property described in such paragraph from a Federal banking or lending agency, unless such purchaser—

"(A) would otherwise be liable or potentially liable for all or part of the costs of the removal, remedial, or other response action due to a prior relationship with the property;

"(B) is or was affiliated with or related to a party described in subparagraph (A);

"(C) fails to agree to take reasonable steps necessary to remedy the release or threatened release in a manner consistent with the purposes of applicable environmental laws; or

"(D) causes or materially and significantly contributes to any additional release or threatened release on the property.

"(5) FEDERAL OR STATE ACTION.—Notwithstanding paragraph (4), if a Federal agency or State environmental agency is required to take remedial action due to the failure of a subsequent purchaser to carry out, in good faith, the agreement described in paragraph (4)(C), such subsequent purchaser shall reimburse the Federal or State environmental agency for the costs of such remedial action. However, any such reimbursement shall not exceed the full fair market value of the property following completion of the remedial action.

"(b) LIEN EXEMPTION.—Notwithstanding any other provision of law, any property held by a subsequent purchaser referred to in subsection (a)(4) or held by a Federal banking or lending agency shall not be subject to any lien for costs or damages associated with the release or threatened release of petroleum or a hazardous substance known to exist at the time of the transfer.

"(c) EXEMPTION FROM COVENANTS TO REMEDIATE.—A Federal banking or lending agency shall be exempt from any law requiring such agency to grant covenants warranting that a removal, remedial, or other response action has been, or will in the future be, taken with respect to property acquired in the manner described in subsection (a)(1).

"(d) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) FEDERAL BANKING OR LENDING AGENCY.—The term 'Federal banking or lending agency' means the Corporation, the Resolution Trust Corporation, the Board of Governors of the Federal Reserve System, a Federal Reserve Bank, a Federal Home Loan Bank, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration Board, the Farm Credit Administration, the Farm Credit System Insurance Corporation, the Farm Credit System Assistance Board, the Farmers Home Administration, the Rural Electrification Administration, and the Small Business Administration, in any of their capacities, and their agents.

"(2) HAZARDOUS SUBSTANCE.—The term 'hazardous substance' has the same meaning as in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

"(3) RELEASE.—The term 'release' has the same meaning as in section 101(22) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and also includes the threatened release, use, storage, disposal, treatment, generation, or transportation of a hazardous substance.

"(e) SAVINGS CLAUSE.—Nothing in this section shall affect the rights or immunities or other defenses that are available under this Act or other applicable law to any party subject to the provisions of this section. Nothing in this section shall be construed to create any liability for any party. Nothing in this section shall create a private right of action against a depository institution or lender or against a Federal banking or lending agency.".

Subtitle E—Limitations on Liability

SEC. 951. DIRECTORS NOT LIABLE FOR ACQUIESCING IN CONSERVATORSHIP, RECEIVERSHIP, OR SUPERVISORY ACQUISITION OR COMBINATION.

(a) LIABILITY.—During the period beginning on the date of enactment of this Act and ending on December 19, 1992, the members of the board of directors of an insured depository institution shall not be liable to the institution's shareholders or creditors for acquiescing in or consenting in good faith to—

(1) the appointment of the Resolution Trust Corporation or the Federal Deposit Insurance Corporation as conservator or receiver for that institution; or

(2) the acquisition of the institution by a depository institution holding company, or the combination of the institution with another insured depository institution if the appropriate Federal banking agency has—

(A) requested the institution, in writing, to be acquired or to combine; and

(B) notified the institution that 1 or more grounds exist for appointing a conservator or receiver for the institution.

(b) DEFINITIONS.—For purposes of this section, the terms "appropriate Federal banking agency", "depository institution holding company", and "insured depository institution" have the same meanings as in section 3 of the Federal Deposit Insurance Act.

SEC. 952. LIMITING LIABILITY FOR FOREIGN DEPOSITS.

(a) AMENDMENT TO THE FEDERAL RESERVE ACT.—Section 25 of the Federal Reserve Act (12 U.S.C. 601 et seq.) is amended by adding at the end the following:

"11. Limitations on liability.

"A member bank shall not be required to repay any deposit made at a foreign branch of the bank if the branch cannot repay the deposit due to—

"(i) an act of war, insurrection, or civil strife, or

"(ii) an action by a foreign government or instrumentality (whether de jure or de facto) in the country in which the branch is located,

unless the member bank has expressly agreed in writing to repay the deposit under those circumstances. The Board is authorized to prescribe such regulations as it deems necessary to implement this paragraph.".

(b) AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT.—

(1) SOVEREIGN RISK.—Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended—

(A) by redesignating subsection (o) (as added by section 305(a) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (Public Law 102-242, 105 Stat. 2354)) as subsection (p); and

(B) by adding at the end the following:

"(q) SOVEREIGN RISK.—Section 25(11) of the Federal Reserve Act shall apply to every nonmember insured bank in the same manner and to the same extent as if the nonmember insured bank were a member bank.".

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 3(*l*)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1813(*l*)(5)) is amended to read as follows:

"(A) any obligation of a depository institution which is carried on the books and records of an office of such bank or savings association located outside of any State unless—

"(i) such obligation would be a deposit if it were carried on the books and records of the depository institution, and payable at, an office located in any State; and

"(ii) the contract evidencing the obligation provides by express terms, and not by implication, for payment at an office of the depository institution located in any State; and".

(c) EXISTING CLAIMS NOT AFFECTED.—The amendments made by this section shall not be construed to affect any claim arising from events (described in section 25(11) of the Federal Reserve Act, as added by subsection (a)) that occurred before the date of enactment of this subtitle.

SEC. 953. AMENDMENT TO INTERNATIONAL BANKING ACT OF 1978.

Section 6(c)(1) of the International Banking Act of 1978 (12 U.S.C. 3104(c)(1)) is amended—

(1) in paragraph (1)—

(A) by inserting "domestic retail" before "deposit accounts"; and

(B) by inserting "and requiring deposit insurance protection," after "$100,000,"; and

(2) in paragraph (2)—

(A) by striking "Deposit" and inserting "Domestic retail deposit"; and

(B) by inserting "that require deposit insurance protection" after "$100,000".

TITLE X—MONEY LAUNDERING

SEC. 1001. SHORT TITLE.

This title may be cited as the "Financial Institutions Enforcement Improvements Act".

Subtitle A—Termination of Charters, Insurance, and Offices

SEC. 1011. REVOKING CHARTER OF FEDERAL DEPOSITORY INSTITUTIONS CONVICTED OF MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.

(a) NATIONAL BANKS.—Section 5239 of the Revised Statutes (12 U.S.C. 93) is amended by adding at the end the following:

"(c) FORFEITURE OF FRANCHISE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) IN GENERAL.—

"(A) CONVICTION OF TITLE 18 OFFENSES.—

"(i) DUTY TO NOTIFY.—If a national bank, a Federal branch, or Federal agency has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney General shall provide to the Office of the Comptroller of the Currency a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(ii) NOTICE OF TERMINATION; PRETERMINATION HEARING.—After receiving written notification from the Attorney General of such a conviction, the Office of the Comptroller of the Currency shall issue to the national bank, Federal branch, or Federal agency a notice of the Comptroller's intention to terminate all rights, privileges, and franchises of the bank, Federal branch, or Federal agency and schedule a pretermination hearing.

"(B) CONVICTION OF TITLE 31 OFFENSES.—If a national bank, a Federal branch, or a Federal agency is convicted of any offense punishable under section 5322 of title 31, United States Code, after receiving written notification from the Attorney General, the Office of the Comptroller of the Currency may issue to the national bank, Federal branch, or Federal agency a notice of the Comptroller's intention to terminate all rights, privileges, and franchises of the bank, Federal branch, or Federal agency and schedule a pre- termination hearing.

"(C) JUDICIAL REVIEW.—Section 8(h) of the Federal Deposit Insurance Act shall apply to any proceeding under this subsection.

"(2) FACTORS TO BE CONSIDERED.—In determining whether a franchise shall be forfeited under paragraph (1), the Comptroller of the Currency shall consider—

"(A) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(B) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(C) whether the bank, Federal branch, or Federal agency has fully cooperated with law enforcement authorities with respect to the conviction;

"(D) whether there will be any losses to any Federal deposit insurance fund or the Resolution Trust Corporation; and

"(E) whether the bank, Federal branch, or Federal agency maintained at the time of the conviction, according to the review of the Comptroller of the Currency, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(3) SUCCESSOR LIABILITY.—This subsection does not apply to a successor to the interests of, or a person who acquires, a bank, a Federal branch, or a Federal agency that violated a provision of law described in paragraph (1), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this subsection or regulations prescribed under this subsection.

"(4) DEFINITION.—For purposes of this subsection, the term 'senior management officials' means those individuals who exercise major supervisory control within a national bank, including members of the board of directors and individuals who own or control 10 percent or more of the outstanding voting stock of the bank or its holding company. If the institution is a Federal branch or Federal agency (as those terms are defined under section 1(b) of the International Banking Act of 1978) of a foreign institution, the term 'senior management officials' means those individuals who exercise major supervisory control within any branch of that foreign institution located within the United States. The Comptroller of the Currency shall by regulation specify which officials of a national bank shall be treated as senior management officials for the purpose of this subsection.".

(b) FEDERAL SAVINGS ASSOCIATIONS.—Section 5 of the Home Owners' Loan Act (12 U.S.C. 1464) is amended by adding at the end the following:

"(w) FORFEITURE OF FRANCHISE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) IN GENERAL.—

"(A) CONVICTION OF TITLE 18 OFFENSES.—

"(i) DUTY TO NOTIFY.—If a Federal savings association has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney General shall provide to the Director of the Office of Thrift Supervision a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(ii) NOTICE OF TERMINATION; PRETERMINATION HEARING.—After receiving written notification from the Attorney General of such a conviction, the Director of the Office of Thrift Supervision shall issue to the savings association a notice of the Director's intention to terminate all rights, privileges, and franchises of the savings association and schedule a pretermination hearing.

"(B) CONVICTION OF TITLE 31 OFFENSES.—If a Federal savings association is convicted of any offense punishable under section 5322 of title 31, United States Code, after receiving written notification from the Attorney General, the Director of the Office of Thrift Supervision may issue to the savings association a notice of the Director's intention to terminate all rights, privileges, and franchises of the savings association and schedule a pretermination hearing.

"(C) JUDICIAL REVIEW.—Subsection (d)(1)(B)(vii) shall apply to any proceeding under this subsection.

"(2) FACTORS TO BE CONSIDERED.—In determining whether a franchise shall be forfeited under paragraph (1), the Office of Thrift Supervision shall consider—

"(A) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(B) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(C) whether the association has fully cooperated with law enforcement authorities with respect to the conviction;

"(D) whether there will be any losses to any Federal deposit insurance fund or the Resolution Trust Corporation; and

"(E) whether the association maintained at the time of the conviction, according to the review of the Director of the Office of Thrift Supervision, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(3) SUCCESSOR LIABILITY.—This subsection does not apply to a successor to the interests of, or a person who acquires, a savings association that violated a provision of law described in paragraph (1), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this subsection or regulations prescribed under this subsection.

"(4) DEFINITION.—For purposes of this subsection, the term 'senior management officials' means those individuals who exercise major supervisory control within a savings association, including members of the board of directors and individuals who own or control 10 percent or more of the outstanding voting stock of the savings association or its holding company. The Office of Thrift Supervision shall by regulation specify which officials of a savings association shall be treated as senior management officials for the purpose of this subsection.".

(c) FEDERAL CREDIT UNIONS.—Title I of the Federal Credit Union Act (12 U.S.C. 1752 et seq.) is amended by adding at the end the following new section:

"SEC. 131. FORFEITURE OF ORGANIZATION CERTIFICATE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.

"(a) FORFEITURE OF FRANCHISE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) CONVICTION OF TITLE 18 OFFENSES.—

"(A) DUTY TO NOTIFY.—If a credit union has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney General shall provide to the Board a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(B) NOTICE OF TERMINATION; PRE-TERMINATION HEARING.—After receiving written notification from the Attorney General of such a conviction, the Board shall issue to such credit union a notice of its intention to terminate all rights, privileges, and franchises of the credit union and schedule a pretermination hearing.

"(2) CONVICTION OF TITLE 31 OFFENSES.—If a credit union is convicted of any offense punishable under section 5322 of title 31, United States Code, after receiving written notification from the Attorney General, the Board may issue to such credit union a notice of its intention to terminate all rights, privileges, and franchises of the credit union and schedule a pretermination hearing.

"(3) JUDICIAL REVIEW.—Section 206(j) shall apply to any proceeding under this section.

"(b) FACTORS TO BE CONSIDERED.—In determining whether a franchise shall be forfeited under subsection (a), the Board shall consider—

"(1) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(2) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(3) whether the credit union has fully cooperated with law enforcement authorities with respect to the conviction;

"(4) whether there will be any losses to the credit union share insurance fund; and

"(5) whether the credit union maintained at the time of the conviction, according to the review of the Board, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(c) SUCCESSOR LIABILITY.—This section does not apply to a successor to the interests of, or a person who acquires, a credit union that violated a provision of law described in subsection (a), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this section or regulations prescribed under this section.

"(d) DEFINITION.—For purposes of this section, the term 'senior management officials' means those individuals who exercise major supervisory control within a credit union, including members of the board of directors. The Board shall by regulation specify which officials of a credit union shall be treated as senior management officials for the purpose of this section.".

SEC. 1012. TERMINATING INSURANCE OF STATE DEPOSITORY INSTITUTIONS CONVICTED OF MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.

(a) STATE BANKS AND SAVINGS ASSOCIATIONS.—

(1) IN GENERAL.—Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by adding at the end the following new subsection:

"(v) TERMINATION OF INSURANCE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) IN GENERAL.—

"(A) CONVICTION OF TITLE 18 OFFENSES.—

"(i) DUTY TO NOTIFY.—If an insured State depository institution, including a State branch of a foreign institution, has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney General shall provide to the Corporation a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(ii) NOTICE OF TERMINATION; TERMINATION HEARING.—After receipt of written notification from the Attorney General by the Corporation of such a conviction, the Board of Directors shall issue to the insured depository institution a notice of its intention to terminate the insured status of the insured depository institution and schedule a hearing on the matter, which shall be conducted in all respects as a termination hearing pursuant to paragraphs (3) through (5) of subsection (a).

"(B) CONVICTION OF TITLE 31 OFFENSES.—If an insured State depository institution, including a State branch of a foreign institution, is convicted of any offense punishable under section 5322 of title 31, United States Code, after receipt of written notification from the Attorney General by the Corporation, the Board of Directors may initiate proceedings to terminate the insured status of the insured depository institution in the manner described in subparagraph (A).

"(C) NOTICE TO STATE SUPERVISOR.—The Corporation shall simultaneously transmit a copy of any notice issued under this paragraph to the appropriate State financial institutions supervisor.

"(2) FACTORS TO BE CONSIDERED.—In determining whether to terminate insurance under paragraph (1), the Board of Directors shall consider—

"(A) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(B) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(C) whether the institution has fully cooperated with law enforcement authorities with respect to the conviction;

"(D) whether there will be any losses to the Federal deposit insurance funds or the Resolution Trust Corporation; and

"(E) whether the institution maintained at the time of the conviction, according to the review of the Corporation, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(3) NOTICE TO STATE BANKING SUPERVISOR AND PUBLIC.—When the order to terminate insured status initiated pursuant to this subsection is final, the Board of Directors shall—

"(A) notify the State banking supervisor of any State depository institution described in paragraph (1) and the Office of Thrift Supervision, where appropriate, at least 10 days prior to the effective date of the order of termination of the insured status of such depository institution, including a State branch of a foreign bank; and

"(B) publish notice of the termination of the insured status of the depository institution in the Federal Register.

"(4) DEPOSITS UNINSURED.—Upon termination of the insured status of any State depository institution pursuant to paragraph (1), the deposits of such depository institution shall be treated in accordance with section 8(a)(7).

"(5) SUCCESSOR LIABILITY.—This subsection does not apply to a successor to the interests of, or a person who acquires, an insured depository institution that violated a provision of law described in paragraph (1), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this subsection or regulations prescribed under this subsection.

"(6) DEFINITION.—For purposes of this subsection, the term 'senior management officials' means those individuals who exercise major supervisory control within an insured depository institution, including members of the board of directors and individuals who own or control 10 percent or more of the outstanding voting stock of such institution or its holding company. If the institution is a State branch of a foreign institution, the term 'senior management officials' means those individuals who exercise major super-

visory control within any branch of that foreign institution located within the United States. The Board of Directors shall by regulation specify which officials of an insured State depository institution shall be treated as senior management officials for the purpose of this subsection.".

(2) TECHNICAL AMENDMENT.—Section 8(a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)(3)) is amended by inserting "of this subsection or subsection (v)" after "subparagraph (B)".

(b) STATE CREDIT UNIONS.—Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by adding at the end the following new subsection:

"(u) TERMINATION OF INSURANCE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) IN GENERAL.—

"(A) CONVICTION OF TITLE 18 OFFENSES.—

"(i) DUTY TO NOTIFY.—If an insured State credit union has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney General shall provide to the Board a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(ii) NOTICE OF TERMINATION.—After written notification from the Attorney General to the Board of Directors of such a conviction, the Board shall issue to such insured credit union a notice of its intention to terminate the insured status of the insured credit union and schedule a hearing on the matter, which shall be conducted as a termination hearing pursuant to subsection (b) of this section, except that no period for correction shall apply to a notice issued under this subparagraph.

"(B) CONVICTION OF TITLE 31 OFFENSES.—If a credit union is convicted of any offense punishable under section 5322 of title 31, United States Code, after prior written notification from the Attorney General, the Board may initiate proceedings to terminate the insured status of such credit union in the manner described in subparagraph (A).

"(C) NOTICE TO STATE SUPERVISOR.—The Board shall simultaneously transmit a copy of any notice under this paragraph to the appropriate State financial institutions supervisor.

"(2) FACTORS TO BE CONSIDERED.—In determining whether to terminate insurance under paragraph (1), the Board shall consider—

"(A) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(B) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(C) whether the credit union has fully cooperated with law enforcement authorities with respect to the conviction;

"(D) whether there will be any losses to the credit union share insurance fund; and

"(E) whether the credit union maintained at the time of the conviction, according to the review of the Board, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(3) NOTICE TO STATE CREDIT UNION SUPERVISOR AND PUBLIC.—When the order to terminate insured status initiated pursuant to this subsection is final, the Board shall—

"(A) notify the commission, board, or authority (if any) having supervision of the credit union described in paragraph (1) at least 10 days prior to the effective date of the order of the termination of the insured status of such credit union; and

"(B) publish notice of the termination of the insured status of the credit union.

"(4) DEPOSITS UNINSURED.—Upon termination of the insured status of any State credit union pursuant to paragraph (1), the deposits of such credit union shall be treated in accordance with section 206(d)(2).

"(5) SUCCESSOR LIABILITY.—This subsection does not apply to a successor to the interests of, or a person who acquires, an insured credit union that violated a provision of law described in paragraph (1), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this subsection or regulations prescribed under this subsection.

"(6) DEFINITION.—For purposes of this subsection, the term 'senior management officials' means those individuals who exercise major supervisory control within an insured credit union, including members of the board of directors. The Board shall by regulation specify which officials of an insured State credit union shall be treated as senior management officials for the purpose of this subsection.".

SEC. 1013. REMOVING PARTIES INVOLVED IN CURRENCY REPORTING VIOLATIONS.

(a) FDIC-INSURED INSTITUTIONS.—

(1) VIOLATION OF REPORTING REQUIREMENTS.—Section 8(e)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)(2)) is amended to read as follows:

"(2) SPECIFIC VIOLATIONS.—Whenever the appropriate Federal banking agency determines that—

"(A) an institution-affiliated party committed a violation of any provision of subchapter II of chapter 53 of title 31, United States Code, unless such violation was inadvertent or unintentional;

"(B) an officer or director of an insured depository institution knew that an institution-affiliated party of the insured depository institution violated any such provision or any provision of law referred to in subsection (g)(1)(A)(ii); or

"(C) an officer or director of an insured depository institution committed any violation of the Depository Institution Management Interlocks Act,

the agency may serve upon such party, officer, or director a written notice of its intention to remove such party from office. In determining whether an officer or director should be removed as a result of the application of subparagraph (B), the agency shall consider whether the officer or director took appropriate action to stop, or to prevent the recurrence of, a violation described in such subparagraph.".

(2) FELONY CHARGES.—Section 8(g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(g)(1)) is amended to read as follows:

"(1)(A) Whenever any institution-affiliated party is charged in any information, indictment, or complaint, with the commission of or participation in—

"(i) a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year under State or Federal law, or

"(ii) a criminal violation of section 1956 or 1957 of title 18, United States Code, or an offense punishable under section 5322 of title 31, United States Code,

the appropriate Federal banking agency may, if continued service or participation by such party may pose a threat to the interests of the depository institution's depositors or may threaten to impair public confidence in the depository institution, by written notice served upon such party, suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of the depository institution. A copy of such notice shall also be served upon the depository institution.

"(B) A suspension or prohibition under subparagraph (A) shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the agency.

"(C)(i) In the event that a judgment of conviction or an agreement to enter a pretrial diversion or other similar program is entered against such party in connection with a crime described in subparagraph (A)(i), and at such time as such judgment is not subject to further appellate review, the agency may, if continued service or participation by such party may pose a threat to the interests of the depository institution's depositors or may threaten to impair public confidence in the depository institution, issue and serve upon such party an order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the depository institution except with the consent of the appropriate agency.

"(ii) In the event of such a judgment of conviction or agreement in connection with a violation described in subparagraph (A)(ii), the agency shall issue and serve upon such party an order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the depository institution except with the consent of the appropriate agency.

"(D) A copy of such order shall also be served upon such depository institution, whereupon such party (if a director or an officer) shall cease to be a director or officer of such depository institution. A finding of not guilty or other disposition of the charge shall not preclude the agency from thereafter instituting proceedings to remove such party from office or to prohibit further participation in depository institution affairs, pursuant to paragraph (1), (2), or (3) of subsection (e) of this section. Any notice of suspension or order of removal issued under this paragraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (3) unless terminated by the agency.".

(b) CREDIT UNIONS.—

(1) VIOLATION OF REPORTING REQUIREMENTS.—Section 206(g)(2) of the Federal Credit Union Act (12 U.S.C. 1786(g)(2)) is amended to read as follows:

"(2) SPECIFIC VIOLATIONS.—Whenever the Board determines that—

"(A) an institution-affiliated party committed a violation of any provision of subchapter II of chapter 53 of title 31, United States Code, unless such violation was inadvertent or unintentional;

"(B) an officer or director of an insured credit union knew that an institution-affiliated party of the insured credit union violated any such provision or any provision of law referred to in subsection (i)(1)(A)(ii); or

"(C) an officer or director of an insured credit union committed any violation of the Depository Institution Management Interlocks Act,

the Board may serve upon such party, officer, or director a written notice of its inten-

tion to remove him from office. In determining whether an officer or director should be removed as a result of the application of subparagraph (B), the Board shall consider whether the officer or director took appropriate action to stop, or to prevent the recurrence of, a violation described in such subparagraph.".

(2) FELONY CHARGES.—Section 206(i)(1) of the Federal Credit Union Act (12 U.S.C. 1786(i)(1)) is amended to read as follows:

"(1)(A) Whenever any institution-affiliated party is charged in any information, indictment, or complaint, with the commission of or participation in—

"(i) a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year under State or Federal law, or

"(ii) a criminal violation of section 1956 or 1957 of title 18, United States Code, or an offense punishable under section 5322 of title 31, United States Code,

the Board may, if continued service or participation by such party may pose a threat to the interests of the credit union's members or may threaten to impair public confidence in the credit union, by written notice served upon such party, suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of the credit union. A copy of such notice shall also be served upon the credit union.

"(B) A suspension or prohibition under subparagraph (A) shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the Board.

"(C)(i) In the event that a judgment of conviction or an agreement to enter a pretrial diversion or other similar program is entered against such party in connection with a crime described in subparagraph (A)(i), and at such time as such judgment is not subject to further appellate review, the Board may, if continued service or participation by such party may pose a threat to the interests of the credit union's members or may threaten to impair public confidence in the credit union, issue and serve upon such party an order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the credit union except with the consent of the Board.

"(ii) In the event of such a judgment of conviction or agreement in connection with a violation described in subparagraph (A)(ii), the Board shall issue and serve upon such party an order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the credit union except with the consent of the Board.

"(D) A copy of such order shall also be served upon such credit union, whereupon such party (if a director or an officer) shall cease to be a director or officer of such credit union. A finding of not guilty or other disposition of the charge shall not preclude the Board from thereafter instituting proceedings to remove such party from office or to prohibit further participation in credit union affairs, pursuant to paragraph (1), (2), or (3) of subsection (g) of this section. Any notice of suspension or order of removal issued under this paragraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (3) unless terminated by the Board.".

SEC. 1014. UNAUTHORIZED PARTICIPATION.

Section 19(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1829(a)(1)) is amended by inserting "or money laundering" after "breach of trust".

SEC. 1015. ACCESS BY STATE FINANCIAL INSTITUTION SUPERVISORS TO CURRENCY TRANSACTIONS REPORTS.

Section 5319 of title 31, United States Code, is amended—

(1) in the first sentence, by striking "to an agency" and inserting "to an agency, including any State financial institutions supervisory agency,"; and

(2) by inserting after the second sentence the following new sentence: "The Secretary may only require reports on the use of such information by any State financial institutions supervisory agency for other than supervisory purposes.".

SEC. 1016. RESTRICTING STATE BRANCHES AND AGENCIES OF FOREIGN BANKS CONVICTED OF MONEY LAUNDERING OFFENSES.

Section 7 of the International Banking Act of 1978 (12 U.S.C. 3105) is amended by adding at the end the following:

"(i) PROCEEDINGS RELATED TO CONVICTION FOR MONEY LAUNDERING OFFENSES.—

"(1) NOTICE OF INTENTION TO ISSUE ORDER.—If the Board finds or receives written notice from the Attorney General that—

"(A) any foreign bank which operates a State agency, a State branch which is not an insured branch, or a State commercial lending company subsidiary,

"(B) any State agency,

"(C) any State branch which is not an insured branch,

"(D) any State commercial lending subsidiary, or

"(E) any director or senior executive officer of any such foreign bank, agency, branch, or subsidiary,

has been found guilty of any money laundering offense, the Board shall issue a notice to the agency, branch, or subsidiary of the Board's intention to commence a termination proceeding under subsection (e).

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

"(A) INSURED BRANCH.—The term 'insured branch' has the meaning given such term in section 3(s) of the Federal Deposit Insurance Act.

"(B) MONEY LAUNDERING OFFENSE DEFINED.—The term 'money laundering offense' means any offense under section 1956, 1957, or 1960 of title 18, United States Code, or punishable under section 5322 of title 31, United States Code.

"(C) SENIOR EXECUTIVE OFFICERS.—The term 'senior executive officers' has the meaning given to such term by the Board pursuant to section 32(f) of the Federal Deposit Insurance Act.".

Subtitle B—Nonbank Financial Institutions and General Provisions

SEC. 1021. IDENTIFICATION OF FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Chapter 53 of title 31, United States Code, is amended by inserting after section 5326 the following:

"§ 5327. Identification of financial institutions

"By January 1, 1993, the Secretary shall prescribe regulations providing that each depository institution identify its customers which are financial institutions as defined in subparagraphs (H) through (Y) of section 5312(a)(2) and the regulations thereunder and which hold accounts with the depository institution. Each depository institution shall report the names of and other information about these financial institution customers to the Secretary at such times and in such manner as the Secretary shall prescribe by regulation. No person shall cause or attempt to cause a depository institution not to file a report required by this section or to file a report containing a material omission or misstatement of fact. The Secretary shall provide these reports to appropriate State financial institution supervisory agencies for supervisory purposes.".

(b) CIVIL PENALTY.—Section 5321(a) of title 31, United States Code, is amended by adding at the end the following paragraph:

"(7)(A) The Secretary may impose a civil penalty on any person or depository institution, within the meaning of section 5327, that willfully violates any provision of section 5327 or a regulation prescribed thereunder.

"(B) The amount of any civil money penalty imposed under subparagraph (A) shall not exceed $10,000 for each day a report is not filed or a report containing a material omission or misstatement of fact remains on file with the Secretary.".

(c) CHAPTER ANALYSIS.—The chapter analysis for chapter 53 of title 31, United States Code, is amended by adding at the end the following new item:

"5327. Identification of financial institutions.".

SEC. 1022. PROHIBITION OF ILLEGAL MONEY TRANSMITTING BUSINESSES.

(a) IN GENERAL.—Chapter 95 of title 18, United States Code, is amended by adding at the end the following section:

"§ 1960. Prohibition of illegal money transmitting businesses

"(a) Whoever conducts, controls, manages, supervises, directs, or owns all or part of a business, knowing the business is an illegal money transmitting business, shall be fined in accordance with this title or imprisoned not more than 5 years, or both.

"(b) Any property, including money, used in violation of the provisions of this section may be seized and forfeited to the United States. All provisions of law relating to—

"(1) the seizure, summary, and judicial forfeiture procedures, and condemnation of vessels, vehicles, merchandise, and baggage for violation of the customs laws;

"(2) the disposition of such vessels, vehicles, merchandise, and baggage or the proceeds from such sale;

"(3) the remission or mitigation of such forfeitures; and

"(4) the compromise of claims and the award of compensation to informers with respect to such forfeitures;

shall apply to seizures and forfeitures incurred or alleged to have been incurred under the provisions of this section, insofar as applicable and not inconsistent with such provisions. Such duties as are imposed upon the collector of customs or any other person with respect to the seizure and forfeiture of vessels, vehicles, merchandise, and baggage under the customs laws shall be performed with respect to seizures and forfeitures of property used or intended for use in violation of this section by such officers, agents, or other persons as may be designated for that purpose by the Attorney General.

"(c) As used in this section—

"(1) the term 'illegal money transmitting business' means a money transmitting business that affects interstate or foreign commerce in any manner or degree and which is knowingly operated in a State—

"(A) without the appropriate money transmitting State license; and

"(B) where such operation is punishable as a misdemeanor or a felony under State law;

"(2) the term 'money transmitting' includes but is not limited to transferring funds on behalf of the public by any and all means including but not limited to transfers within this country or to locations abroad by wire, check, draft, facsimile, or courier; and

"(3) the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.".

(b) CHAPTER ANALYSIS.—The chapter analysis for chapter 95 of title 18, United States Code, is amended by adding at the end the following item:

"1960. Prohibition of illegal money transmitting businesses.".

SEC. 1023. COMPLIANCE PROCEDURES.

Section 5318(a)(2) of title 31, United States Code, is amended by inserting "or to guard against money laundering" before the semicolon.

SEC. 1024. NONDISCLOSURE OF ORDERS.

Section 5326 of title 31, United States Code, is amended by adding at the end the following:

"(c) NONDISCLOSURE OF ORDERS.—No financial institution or officer, director, employee or agent of a financial institution subject to an order under this section may disclose the existence of, or terms of, the order to any person except as prescribed by the Secretary.".

SEC. 1025. IMPROVED RECORDKEEPING WITH RESPECT TO CERTAIN INTERNATIONAL FUNDS TRANSFERS.

(a) IN GENERAL.—Section 21(b) of the Federal Deposit Insurance Act (12 U.S.C. 1829b(b)) is amended—

(1) by striking "(b) Where" and inserting "(b)(1) Where"; and

(2) by adding at the end the following paragraph:

"(2) TRANSFERS OF FUNDS.—

"(A) IN GENERAL.—Before October 1, 1992, the Secretary and the Board of Governors of the Federal Reserve System (hereafter in this section referred to as the 'Board') in consultation with State banking departments shall jointly prescribe such final regulations as may be appropriate to require insured depository institutions, businesses that provide check cashing services, money transmitting businesses, and businesses that issue or redeem money orders, travelers' checks, or other similar instruments to maintain records of payment orders which—

"(i) involve international transactions; and

"(ii) direct transfers of funds over wholesale funds transfer systems or on the books of any insured depository institution, or on the books of any business that provides check cashing services, any money transmitting business, and any business that issues or redeems money orders, travelers' checks, or similar instruments;

that will have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings.

"(B) FACTORS FOR CONSIDERATION.—In prescribing the regulations required under subparagraph (A), the Secretary and the Board shall consider—

"(i) the usefulness in criminal, tax, or regulatory investigations or proceedings of any record required to be maintained pursuant to the proposed regulations; and

"(ii) the effect the recordkeeping required pursuant to such proposed regulations will have on the cost and efficiency of the payment system.

"(C) AVAILABILITY OF RECORDS.—Any records required to be maintained pursuant to the regulations prescribed under subparagraph (A) shall be submitted or made available to the Secretary upon request.".

(b) CONFORMING AMENDMENTS.—Section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b) is amended—

(1) in the first sentence of subsection (c), by striking "the Secretary shall" and inserting "the regulations prescribed under subsection (b) shall";

(2) in subsection (d), by striking "regulations of the Secretary" and inserting "regulations issued under subsection (b)";

(3) in subsection (e), by striking "Secretary may prescribe" and inserting "regulations issued under subsection (b) may require";

(4) in subsection (f), by striking "Secretary may prescribe" and inserting "regulations issued under subsection (b) may require"; and

(5) in subsection (g), by striking "Secretary may prescribe" and inserting "regulations issued under subsection (b) may require".

SEC. 1026. USE OF CERTAIN RECORDS.

Section 1112(f) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3412(f)) is amended—

(1) in paragraph (1), by inserting "or the Secretary of the Treasury" after "the Attorney General"; and

(2) in paragraph (2), by inserting "and only for criminal investigative purposes relating to money laundering and other financial crimes by the Department of the Treasury" after "the Department of Justice".

SEC. 1027. SUSPICIOUS TRANSACTIONS AND FINANCIAL INSTITUTION ANTI-MONEY LAUNDERING PROGRAMS.

(a) REPORTING REQUIREMENT.—Section 5324 of title 31, United States Code, is amended by inserting "or section 5325 or the regulations thereunder" after "section 5313(a)" each place it appears.

(b) SUSPICIOUS TRANSACTIONS AND ENFORCEMENT PROGRAMS.—Section 5318 of title 31, United States Code, is amended by adding at the end the following:

"(g) REPORTING OF SUSPICIOUS TRANSACTIONS.—

"(1) IN GENERAL.—The Secretary may require financial institutions to report suspicious transactions relevant to possible violation of law or regulation.

"(2) NOTIFICATION PROHIBITED.—A financial institution that voluntarily reports a suspicious transaction, or that reports a suspicious transaction pursuant to this section or any other authority, may not notify any person involved in the transaction that the transaction has been reported.

"(3) LIABILITY FOR DISCLOSURES.—Any financial institution not subject to the provisions of section 1103(c) of the Right to Financial Privacy Act of 1978, or officer, employee, or agent thereof, that makes a voluntary disclosure of any possible violation of law or regulation or a disclosure pursuant to this subsection or any other authority, shall not be liable to any person under any law or regulation of the United States or any constitution, law, or regulation of any State or political subdivision thereof, for such disclosure or for any failure to notify the person involved in the transaction or any other person of such disclosure.

"(h) ANTI-MONEY LAUNDERING PROGRAMS.—In order to guard against money laundering through financial institutions, the Secretary may require financial institutions to carry out anti-money laundering programs, including at a minimum—

"(1) the development of internal policies, procedures, and controls,

"(2) the designation of a compliance officer,

"(3) an ongoing employee training program, and

"(4) an independent audit function to test programs.

The Secretary may promulgate minimum standards for such programs.".

SEC. 1028. REPORT ON CURRENCY CHANGES.

The Secretary of the Treasury, in consultation with the Attorney General, the Chairman of the Board of Governors of the Federal Reserve System, and the Administrator of Drug Enforcement, shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, not later than 90 days after the date of enactment of this Act, on the advantages for money laundering enforcement, and any disadvantages, of—

(1) changing the size, denominations, or color of United States currency; or

(2) providing that the color of United States currency in circulation in countries outside the United States will be of a different color than currency circulating in the United States.

SEC. 1029. REPORT ON BANK PROSECUTIONS.

(a) IN GENERAL.—The Attorney General, after obtaining the views of all interested agencies, shall determine to what extent compliance with the Money Laundering Control Act (18 U.S.C. 1956 and 1957), the Bank Secrecy Act (31 U.S.C. 5322), criminal referral reporting obligations, and cooperation with law enforcement authorities generally, would be enhanced by the issuance of guidelines for the prosecution of financial institutions for violations of such Acts. Such guidelines, if issued, shall reflect the standards for anti-money laundering programs issued under section 5318(h) of title 31, United States Code.

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the Attorney General shall transmit to the Congress a report on such determination.

SEC. 1030. ANTI-MONEY LAUNDERING TRAINING TEAM.

(a) IN GENERAL.—The Secretary of the Treasury shall establish a team of experts to assist and provide training to foreign governments and agencies thereof in developing and expanding their capabilities for investigating and prosecuting violations of money laundering and related laws.

(b) AUTHORIZATION.—There is authorized to be appropriated not more than $1,000,000 to carry out this section.

SEC. 1031. MONEY LAUNDERING REPORTING REQUIREMENTS.

(a) OBJECTIVE.—The objective of the United States in dealing with the problem of international money laundering is to ensure that countries adopt comprehensive domestic measures against money laundering and cooperate with each other in narcotics money laundering investigations, prosecutions, and related forfeiture actions. The President shall report annually to Congress on bilateral and multilateral efforts to meet this objective. This report shall be submitted with the report required under section 481(e) of the Foreign Assistance Act of 1961.

(b) CONTENTS OF REPORT.—The report shall include—

(1) information on bilateral and multilateral initiatives pursued by the Department of State, the Department of Justice, and the Department of the Treasury, and other Government agencies, individually or collectively, to achieve the anti-money laundering objective of the United States;

(2) information on relevant bilateral agreements and on the actions of international organizations and groups;

(3) information on the countries which have ratified the United Nations Convention

on Illicit Traffic in Narcotic Drugs and Other Psychotropic Substances and on measures adopted by governments and organizations to implement the money laundering provisions of the United Nations Convention, the recommendations of the Financial Action Task Force, the policy directive of the European Community, the legislative guidelines of the Organization of American States, and similar declarations;

(4) information on the extent to which each major drug producing and drug transit country, as specified in section 481 of the Foreign Assistance Act of 1961, and each additional country that has been determined by the Department of the Treasury, the Department of Justice, the Department of State, and the Office of National Drug Control Policy, in consultation, to be significant in the fight against money laundering—

(A) has adequate mechanisms to exchange financial records in narcotics money laundering and narcotics-related investigations and proceedings; and

(B) has adopted laws, regulations, and administrative measures considered necessary to prevent and detect narcotics-related money laundering, including whether a country has—

(i) criminalized narcotics money laundering;

(ii) required banks and other financial institutions to know and record the identity of customers engaging in significant transactions, including large currency transactions;

(iii) required banks and other financial institutions to maintain, for an adequate time, records necessary to reconstruct significant transactions through financial institutions in order to be able to respond quickly to information requests from appropriate government authorities in narcotics-related money laundering cases;

(iv) required or allowed financial institutions to report suspicious transactions;

(v) established systems for identifying, tracing, freezing, seizing, and forfeiting narcotics-related assets; and

(vi) addressed the problem of international transportation of illegal-source currency and monetary instruments;

(5) details of significant instances of noncooperation with the United States in narcotics-related money laundering and other narcotics-related cases; and

(6) a summary of initiatives taken by the United States or any international organization, including the imposition of sanctions, with respect to any country based on that country's actions with respect to narcotics-related money laundering matters.

(c) SPECIFICITY OF REPORT.—The report should be in sufficient detail to assure the Congress that concerned agencies—

(1) are pursuing a common strategy with respect to achieving international cooperation against money laundering which includes a summary of United States objectives on a country-by-country basis; and

(2) have agreed upon approaches and responsibilities for implementation of the strategy, not limited to the conduct of negotiations to achieve treaties and agreements.

Subtitle C—Money Laundering Improvements

SEC. 1041. JURISDICTION IN CIVIL FORFEITURE CASES.

Section 1355 of title 28, United States Code, is amended—

(1) by inserting "(a)" before "The district"; and

(2) by adding at the end the following new subsections:

"(b)(1) A forfeiture action or proceeding may be brought in—

"(A) the district court for the district in which any of the acts or omissions giving rise to the forfeiture occurred, or

"(B) any other district where venue for the forfeiture action or proceeding is specifically provided for in section 1395 of this title or any other statute.

"(2) Whenever property subject to forfeiture under the laws of the United States is located in a foreign country, or has been detained or seized pursuant to legal process or competent authority of a foreign government, an action or proceeding for forfeiture may be brought as provided in paragraph (1), or in the United States District court for the District of Columbia.

"(c) In any case in which a final order disposing of property in a civil forfeiture action or proceeding is appealed, removal of the property by the prevailing party shall not deprive the court of jurisdiction. Upon motion of the appealing party, the district court or the court of appeals shall issue any order necessary to preserve the right of the appealing party to the full value of the property at issue, including a stay of the judgment of the district court pending appeal or requiring the prevailing party to post an appeal bond.".

SEC. 1042. CIVIL FORFEITURE OF FUNGIBLE PROPERTY.

(a) IN GENERAL.—Chapter 46 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 984. Civil forfeiture of fungible property

"(a) This section shall apply to any action for forfeiture brought by the United States.

"(b)(1) In any forfeiture action in rem in which the subject property is cash, monetary instruments in bearer form, funds deposited in an account in a financial institution (as defined in section 20 of this title), or other fungible property, it shall not be—

"(A) necessary for the Government to identify the specific property involved in the offense that is the basis for the forfeiture;

"(B) a defense that the property involved in such an offense has been removed and replaced by identical property.

"(2) Except as provided in subsection (c), any identical property found in the same place or account as the property involved in the offense that is the basis for the forfeiture shall be subject to forfeiture under this section.

"(c) No action pursuant to this section to forfeit property not traceable directly to the offense that is the basis for the forfeiture may be commenced more than 2 years from the date of the offense.

"(d) No action pursuant to this section to forfeit property not traceable directly to the offense that is the basis for the forfeiture may be taken against funds deposited by a financial institution (as defined in section 20 of this title) into an account with another financial institution unless the depositing institution knowingly engaged in the offense that is the basis for the forfeiture.".

(b) RETROACTIVE APPLICATION.—The amendments made by this section shall apply retroactively.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 46 of title 18, United States Code, is amended by adding at the end the following:

"984. Civil forfeiture of fungible property.".

SEC. 1043. ADMINISTRATIVE SUBPOENAS.

(a) IN GENERAL.—Chapter 46 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 985. Administrative subpoenas

"(a) For the purpose of conducting a civil investigation in contemplation of a civil forfeiture proceeding under this title or the Controlled Substances Act, the Attorney General may—

"(1) administer oaths and affirmations;

"(2) take evidence; and

"(3) by subpoena, summon witnesses and require the production of any books, papers, correspondence, memoranda, or other records that the Attorney General deems relevant or material to the inquiry.

A subpoena issued pursuant to subsection (a) may require the attendance of witnesses and the production of any such records from any place in the United States at any place in the United States designated by the Attorney General.

"(b) The same procedures and limitations as are provided with respect to civil investigative demands in subsections (g), (h), and (j) of section 1968 of title 18, United States Code, apply with respect to a subpoena issued under this section. Process required by such subsections to be served upon the custodian shall be served on the Attorney General. Failure to comply with an order of the court to enforce such subpoena shall be punishable as contempt.

"(c) In the case of a subpoena for which the return date is less than 5 days after the date of service, no person shall be found in contempt for failure to comply by the return date if such person files a petition under subsection (b) not later than 5 days after the date of service.

"(d) A subpoena may be issued pursuant to this subsection at any time up to the commencement of a judicial proceeding under this section.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 46 of title 18, United States Code is amended by adding at the end the following:

"985. Administrative subpoenas.".

SEC. 1044. PROCEDURE FOR SUBPOENAING BANK RECORDS.

(a) IN GENERAL.—Chapter 46 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 986. Subpoenas for bank records

"(a) At any time after the commencement of any action for forfeiture brought by the United States under this title or the Controlled Substances Act, any party may request the Clerk of the Court in the district in which the proceeding is pending to issue a subpoena duces tecum to any financial institution, as defined in section 5312(a) of title 31, United States Code, to produce books, records and any other documents at any place designated by the requesting party. All parties to the proceeding shall be notified of the issuance of any such subpoena. The procedures and limitations set forth in section 985 of this title shall apply to subpoenas issued under this section.

"(b) Service of a subpoena issued pursuant to this section shall be by certified mail. Records produced in response to such a subpoena may be produced in person or by mail, common carrier, or such other method as may be agreed upon by the party requesting the subpoena and the custodian of records. The party requesting the subpoena may require the custodian of records to submit an affidavit certifying the authenticity and completeness of the records and explaining the omission of any record called for in the subpoena.

"(c) Nothing in this section shall preclude any party from pursuing any form of discov-

ery pursuant to the Federal Rules of Civil Procedure.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 46 of title 18, United States Code, is amended by adding at the end the following:

"986. Subpoenas for bank records.".

SEC. 1045. DELETION OF REDUNDANT AND INADVERTENTLY LIMITING PROVISION IN 18 U.S.C. 1956.

Section 1956(c)(7)(D) of title 18, United States Code, is amended—

(1) by striking "section 1341 (relating to mail fraud) or section 1343 (relating to wire fraud) affecting a financial institution, section 1344 (relating to bank fraud),"; and

(2) by striking "section 1822 of the Mail Order Drug Paraphernalia Control Act (100 Stat. 3207-51; 21 U.S.C. 857)" and inserting "section 422 of the Controlled Substances Act".

SEC. 1046. STRUCTURING TRANSACTIONS TO EVADE CMIR REQUIREMENT.

(a) IN GENERAL.—Section 5324 of title 31, United States Code, is amended—

(1) by inserting "(a)" before "No person"; and

(2) by adding at the end the following:

"(b) No person shall, for the purpose of evading the reporting requirements of section 5316—

"(1) fail to file a report required by section 5316, or cause or attempt to cause a person to fail to file such a report;

"(2) file or cause or attempt to cause a person to file a report required under section 5316 that contains a material omission or misstatement of fact; or

"(3) structure or assist in structuring, or attempt to structure or assist in structuring, any importation or exportation of monetary instruments.".

(b) CONFORMING AMENDMENT.—Section 5321(a)(4)(C) of title 31, United States Code, is amended by striking "under section 5317(d)".

(c) FORFEITURE.—

(1) TITLE 18.—Section 981(a)(1)(A) of title 18, United States Code, is amended by striking "5324" and inserting "5324(a)".

(2) TITLE 31.—Section 5317(c) of title 31, United States Code, is amended by inserting after the first sentence "Any property, real or personal, involved in a transaction or attempted transaction in violation of section 5324(b), or any property traceable to such property, may be seized and forfeited to the United States Government.".

SEC. 1047. CLARIFICATION OF DEFINITION OF FINANCIAL INSTITUTION.

(a) SECTION 1956.—Section 1956(c)(6) of title 18, United States Code, is amended by striking "and the regulations" and inserting "or the regulations".

(b) SECTION 1957.—Section 1957(f)(1) of title 18, United States Code, is amended by striking "financial institution (as defined in section 5312 of title 31)" and inserting "financial institution (as defined in section 1956 of this title)".

SEC. 1048. DEFINITION OF FINANCIAL TRANSACTION.

(a) SECTION 1956.—Section 1956(c) of title 18, United States Code, is amended—

(1) in paragraph (4)(A)—

(A) by inserting "or (iii) involving the transfer of title to any real property, vehicle, vessel, or aircraft," after "monetary instruments,";

(B) by striking "which in any way or degree affects interstate or foreign commerce,"; and

(C) by inserting "which in any way or degree affects interstate or foreign commerce" after "(A) a transaction"; and

(2) in paragraph (3), by inserting "use of a safe deposit box," before "or any other payment".

(b) SECTION 1957.—Section 1957(f)(1) of title 18, United States Code, is amended by inserting ", including any transaction that would be a financial transaction under section 1956(c)(4)(B) of this title," before "but such term does not include".

SEC. 1049. OBSTRUCTING A MONEY LAUNDERING INVESTIGATION.

Section 1510(b)(3)(B)(i) of title 18, United States Code, is amended by striking "or 1344" and inserting "1344, 1956, 1957, or chapter 53 of title 31".

SEC. 1050. AWARDS IN MONEY LAUNDERING CASES.

Section 524(c)(1)(B) of title 28, United States Code, is amended by inserting "or of sections 1956 and 1957 of title 18, sections 5313 and 5324 of title 31, and section 6050I of title 26, United States Code" after "criminal drug laws of the United States".

SEC. 1051. PENALTY FOR MONEY LAUNDERING CONSPIRACIES.

Section 1956 of title 18, United States Code, is amended by inserting at the end the following new subsection:

"(g) Any person who conspires to commit any offense defined in this section or section 1957 shall be subject to the same penalties as those prescribed for the offense the commission of which was the object of the conspiracy.".

SEC. 1052. TECHNICAL AND CONFORMING AMENDMENTS TO MONEY LAUNDERING PROVISION.

(a) TRANSPORTATION.—Subsections (a)(2) and (b) of section 1956 of title 18, United States Code, are amended by striking "transportation" each time such term appears and inserting "transportation, transmission, or transfer".

(b) TECHNICAL CORRECTION.—Section 1956(a)(3) of title 18, United States Code, is amended by striking "represented by a law enforcement officer" and inserting "represented".

SEC. 1053. PRECLUSION OF NOTICE TO POSSIBLE SUSPECTS OF EXISTENCE OF A GRAND JURY SUBPOENA FOR BANK RECORDS IN MONEY LAUNDERING AND CONTROLLED SUBSTANCE INVESTIGATIONS.

Section 1120(b)(1)(A) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3420(b)(1)(A)) is amended by inserting before the semicolon "or crime involving a violation of the Controlled Substance Act, the Controlled Substances Import and Export Act, section 1956 or 1957 of title 18, sections 5313, 5316 and 5324 of title 31, or section 6050I of title 26, United States Code".

SEC. 1054. DEFINITION OF PROPERTY FOR CRIMINAL FORFEITURE.

Section 982(b)(1)(A) of title 18, United States Code, is amended by striking "(c)" and inserting "(b), (c),".

SEC. 1055. EXPANSION OF MONEY LAUNDERING AND FORFEITURE LAWS TO COVER PROCEEDS OF CERTAIN FOREIGN CRIMES.

(a) IN GENERAL.—Sections 981(a)(1)(B) and 1956(c)(7)(B) of title 18, United States Code, are amended by—

(1) inserting "(i)" after "against a foreign nation involving"; and

(2) inserting "(ii) kidnaping, robbery, or extortion, or (iii) fraud, or any scheme or attempt to defraud, by or against a foreign bank (as defined in paragraph 7 of section 1(b) of the International Banking Act of 1978" after "Controlled Substances Act)".

(b) RETROACTIVE APPLICATION.—All amendments to the civil forfeiture statute, section 981 of title 18, United States Code, made by this section and elsewhere in this Act shall apply retroactively.

SEC. 1056. ELIMINATION OF RESTRICTION ON DISPOSAL OF JUDICIALLY FORFEITED PROPERTY BY THE DEPARTMENT OF THE TREASURY AND THE POSTAL SERVICE.

Section 981(e) of title 18, United States Code, is amended by striking "The authority granted to the Secretary of the Treasury and the Postal Service pursuant to this subsection shall apply only to property that has been administratively forfeited.".

SEC. 1057. NEW MONEY LAUNDERING PREDICATE OFFENSES.

Section 1956(c)(7)(D) of title 18, United States Code, is amended—

(1) by striking "or" before "section 16";

(2) by inserting "section 1708 (theft from the mail)," before "section 2113"; and

(3) by inserting before the semicolon; ", any felony violation of section 9(c) of the Food Stamp Act of 1977 (relating to food stamp fraud) involving a quantity of coupons having a value of not less than $5,000, or any felony violation of the Foreign Corrupt Practices Act".

SEC. 1058. AMENDMENTS TO THE BANK SECRECY ACT.

(a) TITLE 31.—Title 31, United States Code, is amended—

(1) in section 5324, by inserting ", section 5325, or the regulations issued thereunder" after "section 5313(a)" each place such term appears;

(2) in section 5321(a)(5)(A), by inserting "or any person willfully causing" after "willfully violates".

(b) FEDERAL DEPOSIT INSURANCE ACT.—Section 21(j)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1829b(j)(1)) is amended by inserting ", or any person who willfully causes such a violation," after "gross negligence violates".

(c) RECORDKEEPING.—Public Law 91-508 (12 U.S.C. 1951 et seq.) is amended—

(1) in section 125(a), by inserting "or any person willfully causing a violation of the regulation," after "applies,"; and

(2) in section 127, by inserting ", or willfully causes a violation of" after "Whoever willfully violates".

Subtitle D—Reports and Miscellaneous

SEC. 1061. STUDY AND REPORT ON REIMBURSING FINANCIAL INSTITUTIONS AND OTHERS FOR PROVIDING FINANCIAL RECORDS.

(a) STUDY REQUIRED.—The Attorney General, in consultation with the Secretary of the Treasury and the Board of Governors of the Federal Reserve System and other appropriate banking regulatory agencies, shall conduct a study of the effect of amending the Right to Financial Privacy Act by allowing reimbursement to financial institutions for assembling or providing financial records on corporations and other entities not currently covered under section 1115(a) of such Act (12 U.S.C. 3415). The study shall also include analysis of the effect of allowing nondepository licensed transmitters of funds to be reimbursed to the same extent as financial institutions under that section.

(b) REPORT.—Before the end of the 180-day period beginning on the date of enactment of this Act, the Attorney General shall submit a report to the Congress on the results of the study conducted pursuant to subsection (a).

SEC. 1062. REPORTS OF INFORMATION REGARDING SAFETY AND SOUNDNESS OF DEPOSITORY INSTITUTIONS.

(a) REPORTS TO APPROPRIATE FEDERAL BANKING AGENCIES.—

(1) IN GENERAL.—The Attorney General, the Secretary of the Treasury, and the head of any other agency or instrumentality of the United States shall report to the appropriate Federal banking agency any information regarding any matter that could have a significant effect on the safety or soundness of any depository institution doing business in the United States.

(2) EXCEPTIONS.—

(A) INTELLIGENCE INFORMATION.—

(i) IN GENERAL.—The Director of Central Intelligence shall report to the Attorney General or the Secretary of the Treasury any intelligence information that would otherwise be reported to an appropriate Federal banking agency pursuant to paragraph (1). After consultation with the Director of Central Intelligence, the Attorney General or the Secretary of the Treasury shall report the intelligence information to the appropriate Federal banking agency.

"(ii) PROCEDURES FOR RECEIPT OF INTELLIGENCE INFORMATION.—Each appropriate Federal banking agency, in consultation with the Director of Central Intelligence, shall establish procedures for the receipt of intelligence information that are adequate to protect the intelligence information.

(B) CRIMINAL INVESTIGATIONS, SAFETY OF GOVERNMENT INVESTIGATOR, INFORMANTS, AND WITNESSES.—If the Attorney General or his designee determines that the reporting of a particular item of information pursuant to paragraph (1) might jeopardize a pending criminal investigation or the safety of Government investigators, informants, or witnesses, the Attorney General shall—

(i) provide the appropriate Federal banking agency a description of the information that is as specific as possible without jeopardizing the investigation or the safety of the investigators, informants, or witnesses; and

(ii) permit a full review of the information by the Federal banking agency at a location and under procedures that the Attorney General determines will ensure the effective protection of the information while permitting the Federal banking agency to ensure the safety and soundness of any depository institution.

(C) GRAND JURY INVESTIGATIONS; CRIMINAL PROCEDURE.—Paragraph (1) shall not—

(i) apply to the receipt of information by an agency or instrumentality in connection with a pending grand jury investigation; or

(ii) be construed to require disclosure of information prohibited by rule 6 of the Federal Rules of Criminal Procedure.

(b) PROCEDURES FOR RECEIPT OF REPORTS.—

(1) IN GENERAL.—Within 90 days after the date of enactment of the this Act, each appropriate Federal banking agency shall establish procedures for receipt of a report by an agency or instrumentality made in accordance with subsection (a)(1). The procedures established in accordance with this subsection shall ensure adequate protection of information contained in a report, including access control and information accountability.

(2) PROCEDURES RELATED TO EACH REPORT.—Upon receipt of a report in accordance with subsection (a)(1), the appropriate Federal banking agency shall—

(A) consult with the agency or instrumentality that furnished the report regarding the adequacy of the procedures established pursuant to paragraph (1), and

(B) adjust the procedures to ensure adequate protection of the information contained in the report.

(c) DEFINITIONS.—For purposes of this section, the terms "appropriate Federal banking agency" and "depository institution" have the same meanings as in section 8 of the Federal Deposit Insurance Act.

SEC. 1063. IMMUNITY.

Section 6001(1) of title 18, United States Code, is amended by inserting "the Board of Governors of the Federal Reserve System," after "the Atomic Energy Commission,".

SEC. 1064. INTERAGENCY INFORMATION SHARING.

Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended by adding at the end the following new subsection:

"(t) AGENCIES MAY SHARE INFORMATION WITHOUT WAIVING PRIVILEGE.—

"(1) IN GENERAL.—A covered agency does not waive any privilege applicable to any information by transferring that information to or permitting that information to be used by—

"(A) any other covered agency, in any capacity; or

"(B) any other agency of the Federal Government (as defined in section 6 of title 18, United States Code).

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

"(A) COVERED AGENCY.—The term 'covered agency' means any of the following:

"(i) Any appropriate Federal banking agency.

"(ii) The Resolution Trust Corporation.

"(iii) The Farm Credit Administration.

"(iv) The Farm Credit System Insurance Corporation.

"(v) The National Credit Union Administration.

"(B) PRIVILEGE.—The term 'privilege' includes any work-product, attorney-client, or other privilege recognized under Federal or State law.

"(3) RULE OF CONSTRUCTION.—Paragraph (1) shall not be construed as implying that any person waives any privilege applicable to any information because paragraph (1) does not apply to the transfer or use of that information.".

SEC. 1065. ADDITIONAL DEFINITIONS.

(a) CERCLA AMENDMENTS.—Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) is amended by adding the following new paragraphs at the end thereof:

"(39) The term 'municipal solid waste' means all waste materials generated by households, including single and multiple residences, hotels and motels, and office buildings. The term also includes trash generated by commercial, institutional, and industrial sources when the physical and chemical state, composition, and toxicity of such materials are essentially the same as waste normally generated by households, or when such waste materials, regardless of when generated, would be considered conditionally exempt generator waste under section 3001(d) of the Solid Waste Disposal Act because it was generated in a total quantity of 100 kilograms or less during a calendar month. The term 'municipal solid waste' includes all constituent components of municipal solid waste, including constituent components that may be deemed hazardous substances under this Act when they exist apart from municipal solid waste. Examples of municipal solid waste include food and yard waste, paper, clothing, appliances, consumer product packaging, disposable diapers, office supplies, cosmetics, glass and metal food containers, and household hazardous waste (such as painting, cleaning, gardening, and automotive supplies). The term 'municipal solid waste' does not include combustion ash generated by resource recovery facilities or municipal incinerators, or waste from manufacturing or processing (including pollution control) operations not essentially the same as waste normally generated by households.

"(40) The term 'sewage sludge' refers to any solid, semisolid, or liquid residue removed during the treatment of municipal waste water, domestic sewage, or other waste waters at or by a publicly-owned treatment works, subject to the limitations of section 113(m) of this Act.

"(41) The term 'municipality' means any political subdivision of a State and may include cities, counties, towns, townships, boroughs, parishes, school districts, sanitation districts, water districts, and other local governmental entities. The term also includes any natural person acting in his or her official capacity as an official, employee, or agent of a municipality.".

(b) CONTRIBUTION ACTIONS; RIGHT-OF-WAY.—Section 113 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following new subsections at the end thereof:

"(m) CONTRIBUTION ACTIONS FOR MUNICIPAL SOLID WASTE AND SEWAGE SLUDGE.—No municipality or other person shall be liable to any person other than the United States for claims of contribution under this section or for other response costs or damages under this Act for acts or omissions related to the generation, transportation, or arrangement for the transportation, treatment, or disposal of municipal solid waste or sewage sludge.

"(n) PUBLIC RIGHT-OF-WAY.—In no event shall a municipality incur liability under this Act for the acts of owning or maintaining a public right-of-way over which hazardous substances are transported, or of granting a business license to a private party for the transportation, treatment, or disposal of municipal solid waste or sewage sludge. For the purposes of this subsection, 'public right-of-way' includes, but is not limited to, roads, streets, flood control channels, or other public transportation routes, and pipelines used as a conduit for sewage or other liquid or semiliquid discharges.".

(c) SETTLEMENTS; FUTURE DISPOSAL PRACTICES.—Section 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following new subsections at the end thereof:

"(n) SETTLEMENTS FOR GENERATORS AND TRANSPORTERS OF MUNICIPAL SOLID WASTE OR SEWAGE SLUDGE.—

"(1) ELIGIBLE PERSONS.—This subsection applies to any person against whom an administrative or judicial action is brought, or to whom notice is given of potential liability under this Act, for acts or omissions related to the generation, transportation, or arrangement for the transportation, treatment, or disposal of municipal solid waste or sewage sludge.

"(2) OFFER OF SETTLEMENTS; MORATORIUM.—Eligible persons under this subsection may offer to settle their potential liability with the President by stating in writing their ability and willingness to settle their potential liability in accordance with this subsection. Upon receipt of such offer to settle, neither the President nor any other party shall take further administrative or judicial action against the eligible person for relevant acts or omissions addressed in the settlement offer.

"(3) TIMING.—Eligible persons may tender offers under this subsection within 180 days after receiving a notice of potential liability

or becoming subject to administrative or judicial action, or within 180 days after a record of decision is issued for the portion of the response action that is the subject of the person's settlement offer, whichever is later. If the President notifies an eligible person that he or she may be a potentially responsible party, no further administrative or judicial action may be taken by any party for 120 days against such person.

"(4) EXPEDITED FINAL SETTLEMENT.—The President shall make every effort to reach final settlements as promptly as possible under this subsection and such settlements shall—

"(A) allocate to all acts or omissions related to the generation, transportation, or arrangement for the transportation, treatment, or disposal of municipal solid waste or sewage sludge that may create liability under this Act a total of no more than 4 percent of the total response costs: *Provided, however*, That the President shall reduce this percentage when the presence of municipal solid waste or sewage sludge is not significant at the facility;

"(B) require an eligible person under this subsection to pay only for his or her equitable share of the maximum 4 percent portion of response costs described in subparagraph (A);

"(C) limit an eligible person's payments based on such person's inability to pay;

"(D) permit an eligible person to provide services in lieu of money and to be credited at market rates for such services;

"(E) consider the degree to which a publicly owned treatment works has promoted the beneficial reuse of sewage sludge through land application when the basis of liability arises from acts or omissions related to sewage sludge taken 36 months after the date of enactment of this Act or thereafter; and

"(F) be reached even in the event that an eligible person may be liable under sections 107(a)(1) or 107(a)(2) of this Act or for acts or omissions related to substances other than municipal solid waste or sewage sludge.

"(5) COVENANT NOT TO SUE.—The President may provide a covenant not to sue with respect to the facility concerned to any person who has entered into a settlement under this subsection unless such a covenant would be inconsistent with the public interest as determined under subsection (f) of this section.

"(6) EFFECT OF AGREEMENT.—A person that has resolved his or her liability to the United States under this subsection shall not be liable for claims of contribution or for other response costs or damages under this Act regarding matters addressed in the settlement. Such settlement does not discharge any of the other potentially responsible parties unless its terms so provide, but it reduces the potential liability of the others by the amount of the settlement.

"(7) DE MINIMIS SETTLEMENTS.—Nothing in this subsection shall alter or diminish a person's right or ability to reach a settlement with the President under subsection (g) of this section.

"(o) FUTURE DISPOSAL PRACTICES.—Eligible persons may assert the provisions of section 122(n) regarding acts or omissions taken 36 months after the date of enactment of this Act or thereafter only under the following circumstances:

"(1) if the acts or omissions relate to municipal solid waste and the eligible person is a municipality, a qualified household hazardous waste collection program must have been operating while the relevant acts or omissions took place; or

"(2) if the acts or omissions relate to sewage sludge and the eligible person is an operator of a publicly owned treatment works, a qualified publicly owned treatment works must have been operating while the relevant acts or omissions took place.

"(3) The term 'qualified household hazardous waste collection program' means a program that includes—

"(A) at least semiannual, well-publicized collections at conveniently located collection points with an intended goal of participation by ten percent of community households;

"(B) a public education program that identifies both hazardous household products and safer substitutes (source reduction);

"(C) efforts to collect hazardous waste from conditionally exempt generators under section 3001(d) of the Solid Waste Disposal Act (because they generated a total quantity of 100 kilograms or less during a calendar month), with an intended goal of collecting wastes from twenty percent of such generators doing business within the jurisdiction of the municipality; and

"(D) a comprehensive plan, which may include regional compacts or joint ventures, that outlines how the program will be accomplished.

"(4) A person that operates a 'qualified household hazardous waste collection program' and collects hazardous waste from conditionally exempt generators under section 3001(d) of the Solid Waste Disposal Act must dispose of such waste at a hazardous waste treatment, storage or disposal facility with a permit under section 3005 of the Solid Waste Disposal Act (42 U.S.C. 6925), but such person is otherwise deemed to be handling only household waste under the Solid Waste Disposal Act when it operates a qualified household hazardous waste collection program.

"(5) Nothing in this Act shall prohibit a municipality from charging fees to persons whose waste is accepted during household hazardous waste collections, or shall prohibit a municipality from refusing to accept waste that the municipality believes is being disposed of in violation of the Solid Waste Disposal Act.

"(6) The term 'qualified publicly owned treatment works' means a publicly owned treatment works that complies with section 405 of the Federal Water Pollution Control Act (33 U.S.C. 1345).

"(7) The President may determine that a household hazardous waste collection program or a publicly owned treatment works is not qualified under this subsection. Minor instances of noncompliance that are not environmentally significant do not render a household hazardous waste collection program or publicly owned treatment works unqualified under this subsection.

"(8) If the President determines that a household hazardous waste collection program is not qualified, the limitations imposed by this subsection on the assertion of the provisions of section 122(n) shall apply, but only with regard to the municipal solid waste disposed of during the period of disqualification.

"(9) If a municipality is notified by the President or by a State with a program approved under section 402(b) of the Federal Water Pollution Control Act (33 U.S.C. 1342(b)) that its publicly owned treatment works is not in compliance with the requirements of paragraph (6) of this subsection, and if such noncompliance is not remedied within twelve months, the limitations imposed by this subsection on the assertion of the provisions of section 122(n) shall apply, but only with regard to the sewage sludge generated or disposed of during the period of noncompliance.".

(d) AMOUNT OF HAZARDOUS WASTE.—Section 122 (g)(1)(A)(i) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by inserting the following sentence at the end thereof: "The amount of hazardous substances in municipal solid waste and sewage sludge shall refer to the quantity of hazardous substances which are constituents within municipal solid waste and sewage sludge, not the overall quantity of municipal solid waste and sewage sludge.".

(e) CONSTRUCTION.—Nothing in this section shall modify the meaning or interpretation of the Solid Waste Disposal Act.

(f) APPLICABILITY.—The amendments to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 made by this section shall apply to each municipality and other person against whom administrative or judicial action has been commenced before the effective date of this Act, unless a final court judgment has been rendered against such municipality or other person or final court approval of a settlement agreement including such municipality or other person as a party has been granted. If a final court judgment has been rendered or court-approved settlement agreement has been reached that does not resolve all contested issues, such amendments shall apply to all contested issues not expressly resolved by such court judgment or settlement agreement.

Subtitle E—Counterfeit Deterrence Act of 1992

SEC. 1071. SHORT TITLE.

This subtitle may be cited as the "Counterfeit Deterrence Act of 1992".

SEC. 1072. INCREASE IN PENALTIES.

Section 474 of title 18, United States Code, is amended—

(1) by inserting "(a)" before "Whoever" the first time it appears;

(2) by striking "United States; or" at the end of the sixth undesignated paragraph and inserting "United States—";

(3) by striking the seventh undesignated paragraph;

(4) by amending the last undesignated paragraph to read as follows:

"Shall be fined not more than $50,000 for each violation, or imprisoned not more than 20 years, or both."; and

(5) by adding at the end thereof the following:

"(b) For purposes of this section, the terms 'plate', 'stone', 'thing', or 'other thing' includes any electronic method used for the acquisition, recording, retrieval, transmission, or reproduction of any obligation or other security, unless such use is authorized by the Secretary of the Treasury. The Secretary shall establish a system (pursuant to section 504) to ensure that the legitimate use of such electronic methods and retention of such reproductions by businesses, hobbyists, press and others shall not be unduly restricted.".

SEC. 1073. DETERRENTS TO COUNTERFEITING.

(a) IN GENERAL.—Chapter 25 of title 18, United States Code, is amended by inserting after section 474 the following new section:

"§ 474A. Deterrents to counterfeiting of obligations and securities

"(a) Whoever has in his control or possession, after a distinctive paper has been adopted by the Secretary of the Treasury for the obligations and other securities of the United States, any similar paper adapted to the making of any such obligation or other security, except under the authority of the

Secretary of the Treasury, shall be fined not more than $50,000 or imprisoned not more than 20 years, or both.

"(b) Whoever has in his control or possession, after a distinctive counterfeit deterrent has been adopted by the Secretary of the Treasury for the obligations and other securities of the United States by publication in the Federal Register, any essentially identical feature or device adapted to the making of any such obligation or security, except under the authority of the Secretary of the Treasury, shall be fined not more than $50,000 for each violation, or imprisoned not more than 20 years, or both.

"(c) As used in this section—

"(1) the term 'distinctive paper' includes any distinctive medium of which currency is made, whether of wood pulp, rag, plastic substrate, or other natural or artificial fibers or materials; and

"(2) the term 'distinctive counterfeit deterrent' includes any ink, watermark, seal, security thread, optically variable device, or other feature or device:

"(A) in which the United States has an exclusive property interest; or

"(B) which is not otherwise in commercial use or in the public domain and which the Secretary designates as being necessary in preventing the counterfeiting of obligations or other securities of the United States.".

(b) CHAPTER ANALYSIS.—The chapter analysis for chapter 25 of title 18, United States Code, is amended by adding after the item for section 474 the following:

"474A. Deterrents to counterfeiting of obligations and securities.".

SEC. 1074. REPRODUCTIONS OF CURRENCY.

Section 504 of title 18, United States Code, is amended—

(1) in paragraph (1)(D), by striking the comma at the end thereof and inserting a period;

(2) in paragraph (1), by striking "for philatelic" from the text following subparagraph (D) and all that follows through "albums).";

(3) by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2) The provisions of this section shall not permit the reproduction of illustrations of obligations or other securities, by or through electronic methods used for the acquisition, recording, retrieval, transmission, or reproduction of any obligation or other security, unless such use is authorized by the Secretary of the Treasury. The Secretary shall establish a system to ensure that the legitimate use of such electronic methods and retention of such reproductions by businesses, hobbyists, press or others shall not be unduly restricted."; and

(4) in paragraph (3), as redesignated by paragraph (3) of this subsection, by striking "but not for advertising purposes except philatelic advertising,".

SEC. . MORATORIUM ON INTERSTATE BRANCHING BY SAVINGS ASSOCIATIONS.

(a) MORATORIUM.—Notwithstanding any other provision of law, no Federal savings association may establish or acquire a branch outside the State in which the Federal savings association has its home office, unless the establishment or acquisition of such branch would have been permitted by law prior to April 9, 1992.

(b) APPLICABILITY.—This section shall apply during the period beginning on the date of enactment of this Act and ending 15 months after such date.

It is the sense of the Senate that Congress needs to act immediately to forestall a possible railroad strike to occur at midnight, tonight, since the economic ramifications of such a strike are devastating to the country, and congressional action could prevent that economic damage.

TITLE _____—LIMITED PARTNERSHIP ROLLUP REFORM

SEC. ____01. SHORT TITLE.

This title may be cited as the "Limited Partnership Rollup Reform Act of 1992".

SEC. ____02. REVISION OF PROXY SOLICITATION RULES WITH RESPECT TO LIMITED PARTNERSHIP ROLLUP TRANSACTIONS.

(a) AMENDMENT.—Section 14 of the Securities and Exchange Act of 1934 (15 U.S.C. 78n) is amended by adding at the end the following new subsection:

"(h) PROXY SOLICITATIONS AND TENDER OFFERS IN CONNECTION WITH LIMITED PARTNERSHIP ROLLUP TRANSACTIONS.—

"(1) PROXY RULES TO CONTAIN SPECIAL PROVISIONS.—It shall be unlawful for any person to solicit any proxy, consent, or authorization concerning a limited partnership rollup transaction, or to make any tender offer in furtherance of a limited partnership rollup transaction, unless such transaction is conducted in accordance with rules prescribed by the Commission under sections 14(a) and 14(d) as required by this subsection. Such rules shall—

"(A) permit any holder of a security that is the subject of the proposed limited partnership rollup transaction to engage in preliminary communications for the purposes of determining whether to solicit proxies, consents, or authorizations in opposition to the proposed transaction, without regard to whether any such communication would otherwise be considered a solicitation of proxies, and without being required to file soliciting material with the Commission prior to making that determination,

except that nothing in this subparagraph shall be construed to limit the application of any provision of this title prohibiting, or reasonably designed to prevent, fraudulent, deceptive, or manipulative acts or practices under this title;

"(B) require the issuer to provide to holders of the securities that are the subject of the transaction such list of the holders of the issuer's securities as the Commission may determine in such form and subject to such terms and conditions as the Commission may specify;

"(C) prohibit compensating any person soliciting proxies, consents, or authorizations directly from security holders concerning such a transaction—

"(i) on the basis of whether the solicited proxies, consents, or authorizations either approve or disapprove the proposed transaction; or

"(ii) contingent on the transaction's approval, disapproval, or completion;

"(D) set forth disclosure requirements for soliciting material distributed in connection with a limited partnership rollup transaction, including requirements for clear, concise, and comprehensible disclosure, with respect to—

"(i) any changes in the business plan, voting rights, form of ownership interest or the general partner's compensation in the proposed limited partnership rollup transaction from each of the original limited partnerships;

"(ii) the conflicts of interest, if any, of the general partner;

"(iii) whether it is expected that there will be a significant difference between the exchange values of the limited partnerships and the trading price of the securities to be issued in the limited partnership rollup transaction;

"(iv) the valuation of the limited partnerships and the method used to determine the value of limited partners' interests to be exchanged for the securities in the limited partnership rollup transaction;

"(v) the differing risks and effects of the transaction for investors in different limited partnerships proposed to be included, and the risks and effects of completing the transaction with less than all limited partnerships;

"(vi) a statement by the general partner as to whether the proposed limited partnership rollup transaction is fair or unfair to investors in each limited partnership, a discussion of the basis for that conclusion, and the general partner's evaluation, and a description, of alternatives to the limited partnership rollup transaction, such as liquidation;

"(vii) any opinion (other than an opinion of counsel), appraisal, or report received by the general partner or sponsor that is prepared by an outside party and that is materially related to the limited partnership rollup transaction and the identity and qualifications of the party who prepared the opinion, appraisal, or report, the method of selection of such party, material past, existing, or contemplated relationships between the party, or any of its affiliates and the general partner, sponsor, successor, or any other affiliate, compensation arrangements, and the basis for rendering and methods used in developing the opinion, appraisal, or report; and

"(viii) such other matters deemed necessary or appropriate by the Commission;

"(E) provide that any solicitation or offering period with respect to any proxy solicitation, tender offer, or information statement in a limited partnership rollup transaction shall be for not less than the lesser of 60 calendar days or the maximum number of days permitted under applicable State law; and

"(F) contain such other provisions as the Commission determines to be necessary or appropriate for the protection of investors in limited partnership rollup transactions.

The disclosure requirements under subparagraph (D) shall also require that the soliciting material include a clear and concise summary of the limited partnership rollup transaction (including a summary of the matters referred to in clauses (i) through (vii) of that subparagraph) with the risks of the limited partnership rollup transaction set forth prominently in the forepart thereof.

"(2) EXEMPTIONS.—The Commission may, consistent with the public interest, the protection of investors, and the purposes of this Act, exempt by rule or order any security or class of securities, any transaction or class of transactions, or any person or class of persons, in whole or in part, conditionally or unconditionally, from the requirements imposed pursuant to paragraph (1) or, from the definition contained in paragraph (4).

"(3) EFFECT ON COMMISSION AUTHORITY.—Nothing in this subsection limits the authority of the Commission under subsection (a) or (d) or any other provision of this title or precludes the Commission from imposing, under subsection (a) or (d) or any other provision of this title, a remedy or procedure required to be imposed under this subsection.

"(4) DEFINITION.—As used in this subsection the term 'limited partnership rollup transaction' means a transaction involving—

"(A) the combination or reorganization of limited partnerships, directly or indirectly, in which some or all investors in the limited

partnerships receive new securities or securities in another entity, other than a transaction—

"(i) in which—

"(I) the investors' limited partnership securities are reported under a transaction reporting plan declared effective before January 1, 1991, by the Commission under section 11A; and

"(II) the investors receive new securities or securities in another entity that are reported under a transaction reporting plan declared effective before January 1, 1991, by the Commission under section 11A;

"(ii) involving only issuers that are not required to register or report under section 12 both before and after the transaction;

"(iii) in which the securities to be issued or exchanged are not required to be and are not registered under the Securities Act of 1933;

"(iv) which will result in no significant adverse change to investors in any of the limited partnerships with respect to voting rights, the term of existence of the entity, management compensation, or investment objectives; or

"(v) where each investor is provided an option to receive or retain a security under substantially the same terms and conditions as the original issue; or

"(B) the reorganization of a single limited partnership in which some or all investors in the limited partnership receive new securities or securities in another entity, and—

"(i) transactions in the security issued are reported under a transaction reporting plan declared effective before January 1, 1991, by the Commission under section 11A;

"(ii) the investors' limited partnership securities are not reported under a transaction reporting plan declared effective before January 1, 1991, by the Commission under section 11A;

"(iii) the issuer is required to register or report under section 12, both before and after the transaction, or the securities to be issued or exchanged are required to be or are registered under the Securities Act of 1933;

"(iv) there are significant adverse changes to security holders in voting rights, the term of existence of the entity, management compensation, or investment objectives; and

"(v) investors are not provided an option to receive or retain a security under substantially the same terms and conditions as the original issue.

"(5) EXCLUSION.—For purposes of this subsection, a limited partnership rollup transaction does not include a transaction that involves only a limited partnership or partnerships having an operating policy or practice of retaining cash available for distribution and reinvesting proceeds from the sale, financing, or refinancing of assets in accordance with such criteria as the Commission determines appropriate.".

(b) SCHEDULE FOR REGULATIONS.—The Securities and Exchange Commission shall, not later than 12 months after the date of enactment of this Act, conduct rulemaking proceedings and prescribe final regulations under the Securities Act of 1933 and the Securities Exchange Act of 1934 to implement the requirements of section 14(h) of the Securities Exchange Act of 1934, as amended by subsection (a).

SEC. _____03. RULES OF FAIR PRACTICE IN ROLLUP TRANSACTIONS.

(a) REGISTERED SECURITIES ASSOCIATION RULE.—Section 15A(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3(b)) is amended by adding at the end the following new paragraph:

"(12) The rules of the association to promote just and equitable principles of trade, as required by paragraph (6), include rules to prevent members of the association from participating in any limited partnership rollup transaction (as such term is defined in section 14(h)(4)) unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to an appraisal and compensation or other rights designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership rollup transaction who casts a vote against the transaction and complies with procedures established by the association, except that for purposes of an exchange or tender offer, such term means any person who files an objection in writing under the rules of the association during the period in which the offer is outstanding and complies with such other procedures established by the association.".

(b) LISTING STANDARDS OF NATIONAL SECURITIES EXCHANGES.—Section 6(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(b)) is amended by adding at the end the following:

"(9) The rules of the exchange prohibit the listing of any security issued in a limited partnership rollup transaction (as such term is defined in section 14(h)(4)), unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to an appraisal and compensation or other rights designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership transaction who casts a vote against the transaction and complies with procedures established by the exchange, except that for purposes of an exchange or tender offer, such term means any person who files an objection in writing under the rules of the exchange during the period in which the offer is outstanding.".

(c) STANDARDS FOR AUTOMATED QUOTATION SYSTEMS.—Section 15A(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3(b)) is amended by adding at the end the following new paragraph:

"(13) The rules of the association prohibit the authorization for quotation on an automated interdealer quotation system sponsored by the association of any security designated by the Commission as a national market system security resulting from a limited partnership rollup transaction (as such term is defined in section 14(h)(4)), unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to an appraisal and compensation or other rights designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership transaction who casts a vote against the transaction and complies with procedures established by the association, except that for purposes of an exchange or tender offer such term means any person who files an objection in writing under the rules of the association during the period during which the offer is outstanding.".

(d) EFFECT ON EXISTING AUTHORITY.—The amendments made by this section shall not limit the authority of the Securities and Exchange Commission, a registered securities association, or a national securities exchange under any provision of the Securities Exchange Act of 1934, or preclude the Commission or such association or exchange from imposing, under any other such provision, a remedy or procedure required to be imposed under such amendments.

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective 18 months after the date of enactment of this Act.

"SEC. . STUDIES ON THE EFFECTIVENESS OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT.

"(a)(1) The Administrator of United States Environmental Protection Agency shall provide to the Congress by December 31, 1992, a detailed report which provides information on each of the sites contained on the National Priorities List established where the Comprehensive Environmental Response, Compensation and Liability Act. Such report shall be updated periodically as new information becomes available and shall, at a minimum, include the following information about each site:

(A) Site name, number, state and total number of operable units;

(B) Whether a removal action has occurred, and if so, whether it was fund-financed or PRP-financed;

(C) Date proposed for CERCLIS investigation, preliminary assessment completed, site investigation completed, HRS completed, proposed for the National Priorities List; current stage in process; time-frame taken for (i) site investigation, (ii) remedial investigation, (iii) risk assessment, (iv) feasibility study, (v) record of decision, (vi) remedial design and (vii) other such significant actions identified by the Administrator; and whether long-term operation and maintenance is necessary;

(D) Whether remedial action is underway, when it was commenced, and whether it has

been completed and if so, when, and if not, when expected to be completed;

(E) Number and names to the extent the President deems appropriate of PRP's at site, whether PRP is bankrupt or in bankruptcy proceedings and classification of each PRP as:

(i) owner/operator;

(ii) transporter;

(iii) person that arranged for disposal or treatment;

(iv) municipality;

(v) State agency;

(vi) lender or State or Federal lending agency; or

(vii) Federal agency; any other entity and

(viii) that portion of the site that cannot be attributed to any potentially responsible party. Including the dollar amount and volumetric share.

(F) Site classification;

(G) Whether the facility is still in operation;

(H) Number of Records of Decision to be issued;

(I) Description of elements of removal and/or remedial action.

(J) Total actual dollar amount, both Fund and PRP costs, for (i) site study and investigation, (ii) transaction costs, (iii) initial removal or remedial action, (iv) operation and maintenance, and estimated cumulative and continuing costs for the final remedial action the agency is seeking or has been agreed to by settlement;

(K) Whether there has been a settlement agreement, and if so, (i) percent of PRP's who settled, (ii) percent of costs covered, (iii) percent of settled costs for each PRP, compared to the percent of volume and of toxicity of waste for which each was responsible, (iv) percent of cost recovery achieved through de minimis settlements and the number of PRP's in that group, (v) the percent of costs paid for by the Fund, based on a mixed-funding determination, and (vi) the amount of money spent by the Fund, a State or by PRP's for RI/FS/ROD; RD/RA; and operation and maintenance;

(L) Dollar amount of Remedial Investigation/Feasibility Study (RI/FS) settlement, compared to the total cost of (RI/FS);

(M) Dollar amount of remedial action settlement, compared to the total cost of remedial action;

(N) Description of settlement and enforcement activities;

(O) Number of third party contribution actions that have been filed, including, but not limited to, actions to bring additional PRP's into cost-recovery and litigation involving insurance coverage; and

(P) Identification and description of each site which has been cleaned up and removed from the National Priorities List.

"(2) The Administrator shall establish and maintain in a computer data base the information contained in the report required under paragraph (1). The Administrator shall make these data accessible by computer telecommunication and other means to any person on a cost-reimbursable basis.

"(3) In submitting the report the Administrator shall include a summary of the costs incurred in preparing the report.

"(b) The General Accounting Office shall undertake a comprehensive review of relevant governmental and other studies assessing the effectiveness of such Act, and shall provide to the Congress by July 1, 1993, a report in which an objective evaluation of each study is provided. Such report shall be updated every six months, as appropriate, to provide the Congress with an evaluation of any additional studies that have been issued.

"(c)(1) No later than September 30, 1993, the Administrator of EPA, and in consultation with ATSDR, the National Academy of Sciences and the National Academy of Engineering, shall provide a report to the Congress which examines a statistically significant number of sites listed on the National Priorities List, which in no event shall be less than 40 sites. Such report shall discuss with respect to each site the present or future risks, based on actual exposure data or estimates, to human health and the environment presented by the site.

"(2) The report shall examine methods to (A) ensure that costs and effectiveness of remedial measures adopted for individual sites are reasonably appropriate to the risks presented by such sites; and (B) utilize the information identified in paragraph (1) in order to determine appropriate remedial action at individual sites.

"(3) The report shall examine the uses of each of the sites after a removal action or other interim action or a remedial action or any other response has been completed, taking into consideration the implications of land use policy at such sites and the effect of post-cleanup liability on future uses.

"(4) The Administrator of the U.S. Environmental Protection Agency shall provide a reasonable opportunity for written comments on the report prior to its submission to the Congress. Such comments shall be included in the Report as part of the submission to the Congress."

SASSER AMENDMENT NO. 2450

Mr. SASSER proposed an amendment to amendment No. 2437 proposed by Mr. RIEGLE to the bill S. 2733, supra, as follows:

At the appropriate place insert the following:

"SEC. . PRESIDENT'S BUDGET.

"(a) It is the sense of the Congress that the Bush budget should not be enacted as it:

"(1) fails to invest in human or physical infrastructure which is critical to increased productivity and economic growth;

"(2) offers no plan to deal with health care costs or access;

"(3) allows the national debt to increase to $5.918 trillion by 1997;

"(4) leaves a budget deficit of $303.6 billion by 1997;

"(5) proposes a revenue hemorrhaging capital gains tax cut for the same wealthy Americans who benefited from the misguided policies of the 1980's;

"(6) reduces defense spending by only $26 billion from 1992 through 1997 and spends a total of $1.4 trillion over the next five years, despite the collapse of the Soviet Union;

"(7) offers no plan for converting our defense industry and personnel to a civilian economy;

"(8) cuts medical care to the elderly and raises the hospital insurance tax, for a total of $22 billion in savings; and

"(9) relies on a dubious accounting gimmick to claim $38 billion in false savings.".

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public that a joint hearing has been scheduled before the Committee on Energy and Natural Resources and the Subcommittee on Energy and Water Development of the Committee on Appropriations.

The purpose of the hearing is to receive testimony on the superconducting super collider.

The hearing will take place on Tuesday, June 30, 1992, at 9:30 a.m. in room SH-216 of the Hart Senate Office Building, First and C Streets, NE., 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 printed hearing record should send their comments to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. Attention: Paul Barnett.

For further information, please contact Paul Barnett of the committee staff at 202-224-7569.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry, will hold a hearing on cosmetic standards and pesticide use on fruits and vegetables on Thursday, July 2, 1992, at 9:30 a.m., in SR-332. Senator WYCHE FOWLER will preside.

For further information please contact Woody Vaughan of the Agriculture Committee staff at X4-5207.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. CONRAD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2 p.m., June 24, 1992, to receive testimony on S. 2851, a bill to provide for the management of Pacific yew on public lands, and on national forest lands reserved or withdrawn from the public domain, to ensure a steady supply of taxol for the treatment of cancer and to ensure the long-term conservation of the Pacific yew, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. CONRAD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, June 24, 1992, at 10 a.m. for a hearing on the health care crisis: human impact of abuses by health insurers.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. CONRAD. Mr. President, I ask unanimous consent that the Select

Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, June 24, 1992, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSUMER

Mr. CONRAD. Mr. President, I ask unanimous consent that the Consumer Subcommittee, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on June 24, 1992, at 10 a.m. on S. 2232—automobile labeling.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. CONRAD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, June 24, at 2:30 p.m. to hold ambassadorial nominations hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON POW/MIA AFFAIRS.

Mr. CONRAD. Mr. President, I ask unanimous consent for the Senate Select Committee on POW/MIA Affairs to meet Wednesday, June 24 at 9:30 a.m. In room 216 of the Senate Hart Office Building to examine the accounting process of the Department of Defense in regard to Americans missing in Southeast Asia.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. CONRAD. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a markup on committee prints of bills relating to veterans' compensation (S. 2322), dependency and indemnity compensation (S. 2323), homeless veterans (S. 2512), education benefits (S. 2647), Native American veterans' home loan education benefits (S. 2528), employment and training (S. 2515), and health care (S. 2575), incorporating provisions from S. 2575, S. 2740, S. 2372, and S. 1424), and the fiscal year 1993 medical construction project-approval resolution. The markup will be held on June 24, 1992, at 10 a.m. in room 418 of the Russell Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. CONRAD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, June 24, 1992, at 9 a.m., for an executive session on pending business.

AGENDA

1. S. 2060, Orphan Drug Amendments.
2. S. 2141, Long-term Care Insurance Improvement and Accountability Act.
3. S. 25, Freedom of Choice Act.
4. Nominations:

To be Commissioner of Education Statistics, Department of Education: Emerson J. Elliott, of Virginia.

To be Chief Financial Officer, Department of Education; William Dean Hansen, of Idaho.

To be Assistant Secretary for Policy and Planning, Department of Education; Bruno Victor Manno, of Ohio.

To be a member of the National Commission on Libraries and Information Science: Shirley Gray Adamovich, of New York.

To be a member of the National Science Board, National Science Foundation; F. Albert Cotton, of Texas; Charles E. Hess, of California; and James L. Powell, of Pennsylvania.

Routine List of Public Health Service Corps (list numbers 945, 946 and 961).

Matters not reached or completed will be continued in executive session on Wednesday, July 1, 1992.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BETTY FAKE, MEDICAL MISSIONARY

• Mr. COHEN. Mr. President, as the ranking member of the Special Committee on Aging, it gives me great pleasure to share with my colleagues the story of an extraordinary older American with an extraordinary mission.

Betty Fake is a registered nurse, who lives in Lewiston in my home State of Maine. Following the death of her husband, Mrs. Fake revived her girlhood dream of becoming a medical missionary—a dream that would take her to remote regions of the Earth to care for the sick and the impoverished.

With the sponsorship of a church missionary group, Mrs. Fake has volunteered her own time and money over the years to assist other missionaries in bringing medical care and supplies to communities in Appalachia, India, and the Philippines, that do not regularly have access to a doctor or nurse.

As an older American, Mrs. Fake has set the example for senior citizens who desire to put their time and energies toward volunteer work in their own communities or in projects reaching out to communities across the globe.

Carol Coultas recently profiled Mrs. Fake and the missions she has gone on in an article in the Maine, Sunday, Telegram. I would like to enter the text of the article into the RECORD, and I hope that my colleagues will be inspired to read Mrs. Fake's story.

The article follows:

POVERTY SPOTS LURE LEWISTON NURSE

(By Carol A. Coultas)

LEWISTON.—As a young girl growing up in Connecticut, Betty Fake decided she wanted to be a medical missionary. More than 50 years later, she got her chance.

"I guess you're never too old to fulfill a dream," she said, smiling from an easy chair in her sunny Central Avenue apartment in Lewiston. But her desire to deliver health care to the poor was set aside first by World War II, then marriage and four children. Her husband's death in 1982 prompted her to reexamine her life and revive her dream.

A registered nurse, Fake uses her own money to visit poor regions of the world to dispense medical care. Since 1987, she has seen her dream played out in the valleys of Appalachia, the arid plains of India and the verdant mountains of the Philippines.

"Some days we would see between 300 and 400 people at a time," she said of her time in the Philippines. "A lot of what we saw, we couldn't do anything about . . . most of it was a result of malnourishment . . . but we did what we could."

Fake makes her trips under the auspices of the United Methodist Church's Short-term Volunteers in Missions program. The church identifies areas of need and assembles a group, but participants pay their own transportation and room and board once they get to their destination.

Fake began her volunteer mission work in 1987 when she spent a summer deep in the mountains of Appalachia. Nurses in a local hospital hadn't had a vacation in over two years, because there was no money to put for substitutes. Fake spent her time working in the hospital and riding on an ambulance, as well as making day trips to little towns where she performed a myriad of medical services.

Next she went to India for three weeks, where she saw medical condition in hospitals and clinics "that were like ours in the 1930s and 1940s."

In 1989 and again this February she went to the Philippines where she helped administer care to people in isolated regions.

Most of the medical attention Fake delivers is restricted by the supplies she can buy and bring with her. Before setting out on a trip, she packs as much rash ointment, bandages, antiseptic, thermometers, vitamins, blood pressure cuffs and aspirin as she can manage. It's not much of an arsenal against diseases such as tuberculosis, but it gets people out to receive rudimentary care.

"In the Philippines, we would go into a tiny village and someone would put a table and couple of chairs right in the middle of the street and everyone would come to see us," she said of the traveling medical clinic.

During her first trip to the Philippines the group she was with brought $4,000 worth of prescription drugs that were confiscated at customs. The group had to pay a $100 bribe (down from $1,000 initially, she said) to reclaim the drugs.

Another time, she recounts, the Rotary Club International sent enough polio vaccine to India to immunize every child in the country. But medical workers couldn't get parents to bring their children for the immunization because of mistrust of medical professionals.

"In India, there are still a lot of medicine men in the villages," she said. "People go there first when they're sick, then to the white people's hospital after the disease has progressed.

"Of course often the person dies and that spreads rumors that hospitals kill people."

In the Philippines she accompanied a young man to a hospital after he dropped a cement mixer on his toe. He spent all day waiting to be examined. When he finally saw the doctor, the physician removed some of the injured toenail and sent him home with a bill that was more than a day's pay.

While lack of medical technology, poor accessibility and cultural ignorance all play a

part in preventing the sick from regaining their health, Fake said far and away the worst problem she encountered was one of a lack of nutrition.

Slash-and-burn practices in India have turned much of that country's farmland into desert, making food difficult to grow and requiring more expensive imports. In the Philippines, the diet consists mainly of dried fish and rice with little or no dairy products.

Even in the U.S., people don't eat well. She said in Appalachia, lard is sold in huge drums and people use it to cook almost everything.

Historically these mountain people grew their own food in backyard gardens. But a way of life has changed. Nearly 80 percent of the people Fake assisted during her time there were welfare recipients and bought their food rather than growing it. The result was a lot of poorly fed people who were passing their bad eating habits on to the next generation.

"I saw a lot of 2- and 3-year-olds running around with sodas," she said.

The effects of poverty were most evident on children, no matter where she went. In fact the sight of malnourished children with swollen bellies was so distressing, after her visit to India, Fake said she wasn't going to participate on any other missions. She returned to Lewiston and her job conducting physical exams for insurance companies, hoping her church and volunteer activities would satisfy her.

But complacency doesn't sit well with Fake. A woman of deep religious convictions, she says she feels an obligation to give back some of the blessings of her life to others less fortunate.

"I'm not content to be the usual over-60 widow," she said. "My desire, my motivation is oriented in my faith because I believe that we need to take care of our sisters and brothers."

She said once she replenishes her bank account (each trip cost approximately $2,000), she'll see where the next opportunity crops up for her expertise.

"As long as I'm physically able, when the opportunity arises and I have the money, I'm likely to go."•

PEORIA WEATHERS AN ECONOMIC STORM

• Mr. SIMON. Mr. President, from the barbershops and health clubs to the banks and bowling alleys, there is a new spirit evident on the faces of Peorians these days.

The devastation of a decade-long recession, the harm done to Peoria's exports by Federal deficits, and two agonizing labor disputes have put Peoria to the test.

Mr. President, Peoria has risen to the challenge.

Peoria was listed in U.S. News & World Report 2 years ago as one of the boomtowns of the United States. This quiet midwestern city of 113,000 people has done its share of bleeding from these economic wounds these past few years, but unlike many other rust belt communities, Peoria is on a remarkable rebound.

Much of this is happening not because of, but in spite of flawed Federal policies that have done great damage to our industrial base. When our manufacturing sector is harmed, high-skill jobs are lost, and many Peorians have put on hold their visions of a better life. We know this is a year of political discontent, and such cynicism and anger is thriving in middle America, including Peoria, for these reasons and many others.

Peoria's efforts to adjust and to prepare for the 21st century is instructive. Writer Thomas Edsall recently offered a snapshot of Peoria's experience.

Mr. President, I ask that a June 20 article about Peoria from the Washington Post be printed in the RECORD.

The article follows:

[From the Washington Post, June 20, 1992]

IN PEORIA, WHAT "PLAYS" IS POLITICAL ANXIETY, DISCONTENT

(By Thomas B. Edsall)

PEORIA, IL.—Over the last 15 years, Ray Thomasson watched as thousands of less senior co-workers had their jobs eliminated at the Caterpillar Inc. tractor plant here. When he went on strike last fall, his employer for virtually his entire working life threatened to replace him and every other skilled worker by hiring men and women right off the street. And his union, the once-powerful United Auto Workers of America, could not stand up for him, capitulating to Caterpillar in April after a bitter five-month walkout.

"The labor movement don't have a leg to stand on. We are at the mercy of the company," said Thomasson. "It's kind of scary."

Thomasson, 49, has so far survived what has been a devastating upheaval for another generation of workers in Peoria who went to work after high school in the 1970s fully expecting the security of a home, boat and summer place on the lake in a city where hard work was always rewarded with good pay.

The experience has changed him politically but also left him more than a little confused. "I was born a Democrat and raised a Democrat," he said, "but for the last 15 years I've been voting Republican." Now, he is more inclined to vote Democratic, but worries about a party that supports abortion and gay rights.

Four years later, the themes of the 1988 campaign—Willie Horton, the death penalty and the American Civil Liberties Union—still echo for Thomasson, undermining his inclination to return to the party of his childhood, even one committed to passing legislation barring the kind of full-scale replacement worker policies that Caterpillar threatened to use to break the UAW strike.

In both his anxiety and his ambivalence, Thomasson reflects the effects that years of economic turbulence have had in changing the thinking of the voters and leaders of Peoria. Here in the city once so secure as a bastion of middle American values that "Will it play in Peoria?" became a litmus test for conventionality, the forces of globalized economic competition, racial division and the growing disparities between rich and poor have combined with devastating consequences for the traditional middle class.

Unlike Detroit, the economic upheaval has not left Peoria bleeding and wounded, a casualty of the world marketplace. Instead, like some other cities in the industrial heartland, such as Akron and Pittsburgh, where the collapse of the rubber and steel industries produced local depressions almost matching the 1930s, Peoria in general is emerging from the depths of a collapse.

But there is no doubt about the toll the 1980s exacted: The bottom fell out of the real estate market, unemployment at one point approached 20 percent, bankruptcies hit 2,300 in 1984 and hundreds of people abandoned their homes, decimating some of the city's oldest working-class neighborhoods.

During the 1980s, the Democratic Party, which did not emerge as a force even during the Great Depression of the 1930s, began to show some muscle, winning county-wide seats, but that movement appears to have slackened. In a number of contests in the 1980s, the city's congressman, Rep. Robert H. Michel, the House Republican leader, was hard pressed by a Democratic challenger, but in 1990, Michel won with 98 percent of the vote.

The seeming return to Republican hegemony does not, however, reflect the growing political anxiety and confusion emerging in part from the radical changes the city has undergone. The anxiety has created a clear opening for the independent presidential candidacy of Ross Perot, who, though still a shadowy unknown, appeals to persons of a range of ideological stripes on the notion that perhaps a tough, successful businessman is what is needed to restore direction and purpose to a government that seems to undermine the very goals it is supposed to enhance.

From 1980 to 1990, Peoria's population fell from 124,157 to 113,852. The number of whites fell from 101,447 to 86,852, while the number of blacks grew from 20,467 to 23,692, with modest growth among a scattering of other groups. In a matter of just 13 years, the number of manufacturing jobs in the area fell from 53,550 in 1978 to 32,000 in 1991. In their place have sprung up a growing number of jobs in the medical and academic communities, and in other service industries filled by workers with much higher skills who have moved to an affluent suburbia that has grown within city boundaries on the north side of town.

The division between rich and poor is most visible in the city's schools.

"We don't have the middle group any more," said John M. Strand, Peoria's superintendent of schools. "What we've got is an unusual school system which in the past 10 years has gone from a predominantly white and a combination of working- and middle-class professional families" to a system increasingly bifurcated by income and, in part, by race.

On the one side, he said, there are students from "middle-class professional families, black or white, and they are headed off into college preparatory programs," and on the other side are youngsters whose family income is low enough to qualify for free federal lunches. "The number of minority students has more than doubled, and the number of low-income students has more than doubled," each from about 20 to 45 percent, he said.

As manufacturing employment nose-dived, the school system lost students from families making "$30,000 . . . $40,000 a year . . . solid B and C students . . . [who] don't have higher aspirations as far as college or graduate schools, but they are the sort of basic, solid citizens that every school depends on," Strand said.

Just as the disparity in income has increased, so has the gap in test scores. "You get a bunch of kids in the 80th percentile and a bunch of kids at the 30th percentile. It averages out to 55, but in fact there are very few kids at that level," he said. "We have an inner-city school system and a suburban system in one school system."

In the face of increasing economic and class polarization, the one message that came through in interviews with a wide variety of city residents is the sense that the federal government has failed to do anything to stop this process and that the programs associated with it are in fact doing harm to those who need help.

The lightning rod for this discontent is welfare, which is widely seen as compounding misery by undercutting initiative and institutionalizing dependency. But voters and officials contend failure is endemic in programs ranging from trade policy to corporate tax subsidies.

For example, if welfare is viewed as the financial underpinning for lack of productivity, then the city's three major public housing projects—Taft, Harrison and Warner—are seen as creating isolated concentrations of the black poor, making all the more intractable the problems of the underclass. In a city desegregated by federal and state law, "the biggest segregated area" left in the city is the federally financed public housing projects, said Strand.

Gordon Gilomen, a 45-year-old mechanic who is active in citywide parent-teacher organizations, is more specific in blaming welfare.

"I think the welfare was the worst thing that happened to poor people," he said. "I think there is nothing wrong with helping a person who gets themselves in a bind somehow. I think the attitude of the lower class, of the low economic people, has been affected by welfare. I think they see it as a free ride, and it is."

Gilomen does not blame the recipients, as much as the system itself. "You can't expect anyone to say, 'I've got to work at McDonalds and it's going to cost me $75 a week [in lost benefits], and I'm going to lose my medical.' They are not stupid enough to do that. If we are stupid enough to pay them not to [work], what kind of message does that send?"

This anger at the welfare system was voiced in even stronger terms by Nathaniel R. LeDoux, a conservative 56-year-old black city councilman who moved here from Louisiana in 1968.

"We put a great deal of emphasis on the downtrodden, but we went too far. . . . And there developed an attitude in this country of, 'I believe the world owes me something.' Those people who suffered the most were the least educated. Those blacks who were prepared and ready for integration, and I consider myself one of those, we prospered. Those people who were not prepared became even less well-off because they became crippled by a system that said, 'I will take care of you.'"

The sense that government is part of the problem and not the solution has helped changed the thinking of David Koehler, once a rocksolid liberal.

Ordained by the United Church of Christ, Koehler's first ministry was with Cesar Chavez's farm workers' union. He came here as a community organizer for Friendship House in the near Northside, a section of the city that has borne the brunt of a host of social change, absorbing the poor evicted by urban renewal, the mentally ill released from hospitals and migrant workers forced out of their camps.

"It's when people become disenfranchised and when they are not empowered to be part of the process that they basically give up," he said. Do government programs disenfranchise? he was asked. "I think that is a prov-›n fact with how we have dealt with housing policy and welfare—and welfare both with the poor and the subsidies we provide to industry."

Under the existing partisan structure, Koehler, argued, "We have put together policies and programs that have not been nuturing to that set of family values we should be promoting. Welfare is a good example; we set up a system that basically we break up the family . . . we break down families among the very people we were 'trying to help'. . . . We have to see that there is responsibility all the way from the top bastion of power all the way to the bottom, and responsibility first and foremost means how do I account for my personal actions."

A similar skepticism about traditional liberal approaches showed not only in Koehler's changing views, but in the weakness of Democratic loyalties among Caterpillar workers.

Harold Hundt, who has put in 23½ years at Caterpillar, agrees with Thomasson that if a presidential candidate is "for gay rights and abortion, and was steadfast in that area, I probably would not vote for him, even if he were a Democrat."

John R. Backes Jr., a tool grinder with 18 years seniority at Caterpillar, is a firm Democrat who has no problem with gay rights and believes that in the case of abortion, the government does not "need to be telling people what to do with their lives."

But Arkansas Gov. Bill Clinton, he said, "scares me," and the prospect that Clinton might pick Jesse L. Jackson as a running mate—an improbable development widely seen as a real possibility among voters here—"would probably sink him. He might have to [pick Jackson, under pressure from blacks] and then it would hurt him. I'm not a bigot, but there are a lot of them out there, and a lot of them are Democrats. I don't think Jackson has the qualifications."

Yet even as the Caterpillar workers express their suspicion at liberal solutions, other members of their community direct criticism back at them.

LeDoux is more conservative than many of those interviewed here—a conservatism that helped get him elected citywide in this overwhelmingly white community—and he shares with much of the electorate a belief that the kind of criticisms that are leveled at welfare are applicable to a much broader range of issues facing the city and the nation.

"The notion that people now feel the world owes them something extends to the labor community, the unions. . . . I see the same mentality with Lee Iacocca who thinks he ought to be paid millions of dollars when he runs a company that loses money. It's not just limited to poor people, it's pervasive throughout our society."•

THE SALVATION ARMY

• Mr. BOND. Mr. President, I rise today to urge my colleagues in the U.S. Senate to join me in paying tribute to a remarkable philanthropic organization which has provided thousands of volunteers who aid in addressing many of the needs of the Kansas City, MO, community. I am referring to an organization familiar to you all—the Salvation Army.

The Salvation Army has served Kansas Citians for the past 105 years. The traditional programs and more innovative services that the Salvation Army has delivered to victims of crisis or hard economic times cannot be matched. The mobile feeding canteen has served more than 350,000 meals to hungry Kansas Citians on the streets and provided shelter for more than 600 families in the Emergency Lodge.

The Salvation Army also provides programs which aid clients in becoming financially independent citizens. the employment counseling, parenting classes, and budget and financial management training provided are important in helping individuals back on their feet. Responding to increased incidents of crime against children, the Salvation Army founded the Children's Shelter. Assisting our children must be a priority and I commend the Salvation Army for their efforts in raising awareness as well as addressing the many problems our children and families face.

Mr. President, the staff and volunteers of the Salvation Army and the community of Kansas City have worked hard to acquire their new divisional headquarters. I join them in their celebration of the new headquarters. The people of Kansas City are extremely fortunate to have such an active and innovative Salvation Army.•

HAITIAN REFUGEES

• Mr. RIEGLE. Mr. President, I rise to express my support for legislation introduced by Senator KENNEDY, S. 2826, which would halt the Bush administration's forced repatriation of Haitian refugees. President Bush's policy is unjust and must be reversed.

After the ousting of former President Duvalier in 1986, Haiti enjoyed its first real opportunity for democracy. In December 1990, clergy member Jean-Bertrand Aristide was elected President, winning over 67 percent of the popular vote. Seven months later on the night of September 29, 1991, a savage military coup overthrew his democratically elected government. In its place now sits an illegal, oppressive regime headed by Joseph Nerette, considered by many to be a puppet of the Haitian armed forces.

Numerous civilians have testified to Amnesty International that violence is directed at the heart of Haiti's grassroots infrastructure—church groups, literacy programs, public media, and small business cooperatives. Individual citizens have been terrorized by arrests and public executions. In fact, reports indicate that within 6 months of the coup, 2,000 were killed by the Army, 500 by torture, and 6,000 were wounded by gunfire.

Faced with violence, both targeted and random, as well as the lowest standard of living in the Western Hemisphere, many Haitians have fled their country by sea for America's shores. For several months, Haitians were

taken to the U.S. Naval base at Guantanamo Bay, Cuba until their claims for refugee status could be resolved. Approximately one-third have been able to make a preliminary showing that they were the object of a specific threat of violence.

Today, however, Haitians do not even have the opportunity to make a case for political asylum. On May 24, President Bush, in a reversal of earlier policy, ordered the Coast Guard to return all Haitian nationals intercepted at sea to their country without allowing them to apply for asylum. The Coast Guard now leaves the dangerously overcrowded boats to fend off the perils of the high seas without assistance. The administration also decided to close the Guantanamo Bay refugee center which has been sheltering Haitians and processing their petitions for political asylum. This policy change must not be allowed to stand.

The 1951 Geneva Convention states that no country "shall expel or return a refugee in any manner whatsoever to the frontiers of territories where his life or freedom would be threatened. * * *" This determination cannot be made through a Coast Guard bullhorn in the open sea. Despite international agreement and other policies which have afforded protection to similarly afflicted groups, the President continues to return Haitians fleeing persecution.

Four months ago, I joined others in Congress calling on the President to suspend the deportation of Haitian refugees. But the deportations are continuing to this day, and President Bush still clings to his belief that, despite the brutal conditions they face, Haitians are fleeing simply to find better economic opportunities.

Mr. President, in 1939, the Roosevelt administration returned to Germany a ship filled with Jews escaping Hitler's death camps. Let us not make that mistake again. Haitian boat people merit the same protection as other refugees. I strongly support Senator KENNEDY's legislation to halt the forced repatriation of Haitian nationals and urge the Senate to act quickly to pass this measure.•

HOMECOMING FOR TERRY ANDERSON

• Mr. D'AMATO. Mr. President, I rise today to pay tribute to Terry Anderson and to make note of a homecoming that we, as Americans, have waited a very long time for. This weekend something very special is happening in upstate New York. Terry Anderson returns to the place he called home while growing up: Batavia, NY. He will be welcomed by friends and family, dignitaries and supporters.

Batavia and its people have waited patiently for the return of their most famous former citizen for over half a decade. They have waited through six long winters to share in his joy and happiness. They will recognize him not as a journalist but as a family member and friend, and most importantly, a free man.

Terry Anderson taught us how much to value our freedom over the many years of his captivity. He taught us the true definition of courage, compassion, and strength. Peggy Say, his sister, showed us how much effort and sacrifice was needed to keep him in our memories and prayers.

Just over 6 months ago, we were touched when we heard of Terry's release. He had the distinction of being the last American hostage held in Lebanon. Let us hope that with Terry's release we are able to say that it is the beginning of a new era. Let us hope that he will become known as the last American hostage ever held in Lebanon. Terry taught us much and for that we are thankful.

I read an article a number of months ago about Karen Sloan, a fellow AP colleague of Terry's, and what she did to keep the memory of Terry fresh in her mind. She wore a bracelet with the inscription "Terry A. Anderson" and in tiny letters "Hebrew 13:3." The reason that it stuck with me was because of what Hebrew 13:3 says: "Remember the prisoners as if chained with them, and those who are mistreated, since you yourselves are also in the body."

For the past 6 years we have done our best to remember Terry and work for his release. We have used these 6 long years to remember, to hope, and to pray. William Ahearn, AP executive editor, kept his own vigil. He kept track of the days that Terry was in captivity on the wall of the AP cafeteria. When he was released on December 4, 1991, Ahearn toasted Terry, took the numbers off the sign and tucked them into his pocket. This was his form of tribute and remembrance for Terry. This weekend we all will rejoice and revel in his freedom and what he has to offer us as a Nation and as a people.

Lastly, I would like to make it known that my deep-felt prayers and thoughts are with Terry Anderson and his family and friends at this joyous time in their lives, just as they were in the darker times. Now it is time for Terry to celebrate with his wife and with his daughter, whom he met only 6 short months ago, and with the rest of his family.

Terry has taught us a great deal about the American spirit, but more importantly, he has shown us what the human spirit is all about. Terry has acted as a mirror and shown us what being an American is all about. Let us pay close attention to what Terry has to offer us, and I am sure that we will learn something about ourselves. This weekend I will think of Terry, a great American, indeed a great New Yorker, who is today a free man and has come home.•

THE 10TH ANNIVERSARY OF THE DEATH OF VINCENT CHIN

• Mr. CRANSTON. Mr. President, nearly 10 years ago, Vincent Chin, an Asian-American of Chinese descent, was tragically beaten to death.

The circumstances of Vincent Chin's death shocked the Nation and raised the public's awareness about hate crimes against Asian-Americans. On the eve of his wedding, Vincent Chin met with friends at a Detroit bar. While at the bar, he was harassed by two unemployed autoworkers who called him "Jap" and blamed him for the plight of the American auto industry. They chased Vincent, then beat him to death with a bat.

Asian-Americans have been victims of hate crimes from the time they stepped foot in the United States. In the 1800's, political parties adopted anti-Chinese platforms, organizations formed on anti-Chinese bases and the media promoted anti-Chinese sentiments. Chinese were massacred in Los Angeles, San Francisco, and Chico, CA. Later, Japanese and Filipinos became targets of anti-Asian sentiment.

Unfortunately, the legacy of violence against Asian-Americans continues. Indeed, a February 1992 report by the U.S. Commission on Civil Rights found that Asian-Americans are often victims of violence. The killings of Vincent Chin in 1982, Navorze Mody in 1987, Jim (Ming Hai) Loo in 1989, and Hung Troung in 1990 and the Stockton schoolyard massacre in 1989 of five Southeast Asian children are a few recent cases of violent crimes against Asians.

Much of this violence is attributable to cultural misunderstandings, resentment, frustration, and the model minority stereotype that exacerbates tensions between Asians and non-Asians. Certainly, some Asian-Americans have made great strides in American society; however, many Asian-Americans face the myriad of problems currently plaguing millions of other Americans such as unemployment, poverty, teenage pregnancy, high school dropout rates, drug abuse, and AIDS, just to name a few. The model minority stereotype serves only to obscure these pressing concerns and fosters tensions between Asians and non-Asians.

Today, communities all over the country are remembering Vincent Chin in their effort to raise the level of awareness about hate crimes. As we remember the circumstances of Vincent Chin's death, we should recognize what divides us as a society, overcome these obstacles, and build a community of understanding and respect between all races.

Nine years ago on June 21, 1983, in observance of the first international day

of remembrance for Vincent Chin, I spoke on the Senate floor and reminded my colleagues that—

* * * (S)seeking adequate punishment of Vincent Chin's persecutors is not enough.

We must continue to seek a just society for all Asian-Americans and indeed for all our people.

We will not fulfill our national commitment until all are treated equally before the law, and until each has equal opportunity, regardless of color, gender, religion or handicaps, ethnic or national origin, to participate fully in our Nation's economic, social and political processes.

Mr. President, we have much work left to do.

Mr. President, I ask that an article which appeared in the Washington Post yesterday describing some problems facing Asian-Americans appear in the RECORD.

The article follows:

[From the Washington Post, June 22, 1992]

MYTH OF MODEL MINORITY HAUNTS ASIAN AMERICANS

(By Al Kamen)

LOS ANGELES.—The images are familiar: Armed with little more than a will to succeed, they open stores where no other entrepreneur will venture. They streak to the top in the technical worlds of computers and mathematics. Their workers are the most dedicated and tireless, their children are the smartest. They are wealthy and self-sufficient.

This is the widespread view of Asian Americans, often hailed as the nation's "model minority." But there are other Asian Americans, many of them first-generation immigrants, many American-born, whose lives belie the stereotype of the nation's fastest growing minority group.

Living in bare, boarding-house rooms in "Chinatowns" here and elsewhere, sleeping in parking lots in "Little Tokyos," dropping out of school and losing jobs, there are those in the Asian-American community who have failed to make it into the American mainstream. And while there are many Asian Americans with incomes far above the U.S. median, many also fall far below it.

The model-minority stereotype is "a seductive and attractive proposition" that reinforces the American dream, said Ki-Tack Chun in a recent U.S. Civil Rights Commission report on Asian Americans. But it also has "damaging consequences," he said, because it causes people to ignore the real problems facing Asian Americans.

The "mythology" of success "has been an enormous disservice to Asian Americans who find this characterization does not at all reflect their own experience," said Grace Yun, visiting professor of Asian-American studies at Wesleyan University. "Because of this image, the needs of many Asian Americans who are poor, homeless, drug abusers or school dropouts are not even being identified, much less met."

Critics say the stereotype not only ignores the plight of those who don't fit, it overstates the achievements of Asian Americans glossing over huge differences within a group of people who come from more than two dozen countries and include Asian Indian professionals and Vietnamese peasants.

Worse, they say, it exposes Asian Americans to resentment and racial hostility and exacts a heavy toll in the stress it places on many, especially students, who can't live up to those high expectations.

Advocates and scholars concede that many Asian Americans, including recent immigrants, have done very well economically. Median household income for Asian Americans is 18 percent higher than that of whites, according to 1990 census data, double that of blacks and 70 percent higher than Hispanic household income. Some Asian-American groups, such as the long-established Japanese, enjoy incomes as much as one-third higher than the national average.

But incomes of the more recently arrived Southeast Asians are 35 percent lower than the national average. The welfare rate for Vietnamese families in 1980 was 28.1 percent, according to census data, higher than that for blacks or Hispanics. In California, where 40 percent of all Asian Americans live, 14.3 percent were living in poverty in 1990, compared to a white rate of 9.1 percent, and a rate of 21.1 percent for blacks and 21.6 percent for Hispanics.

Even the perception of higher family incomes for some Asian Americans may be "an artifact created by Asian Americans' concentration in high cost-of-living areas [and] the larger number of workers in many Asian American families," according to the U.S. Civil Rights Commission report.

Asian-American advocates argue that poverty is substantial not just among recent immigrants, but even within the more affluent groups—the 1.6 million Chinese, 800,000 Koreans and 800,000 Asian Indians. Those three groups all had higher median household incomes than non-Hispanic whites, according to 1980 data, the latest available, yet each group also had higher poverty rates than the national average.

More record research indicates that the 1990 census data will show an even higher level of poverty for both Southeast Asians and for Asians as a whole, according to Sharon M. Lee, professor of sociology at the University of Richmond.

Asian-American poverty is readily apparent, activists say, for anyone who looks more closely.

INCREASE IN HOMELESSNESS

Los Angeles' bustling Chinatown seems a picture of prosperity—tourists and local residents crowd the sidewalks at lunchtime, sampling the colorful imported goods and exotic foods in brightly lit stores and restaurants.

But tucked away above the businesses there is another reality: Hundreds of elderly Chinese live in gloomy squalor in dilapidated boarding houses, sharing dingy communal bathrooms and kitchens.

One elderly couple, Hus Zai Huang, 87, and his wife, Rui Chan Wen, 86, came here from China eight years ago to be near their five children, all of whom immigrated to California in the last 25 years. One son lives in a nearby suburb, the other children live in the San Francisco area.

Their tiny, second-floor room is lit by a single bare bulb dangling from the ceiling. The landlord intends to tear down the deteriorating building. The communal kitchen has been closed as a fire hazard; the communal bathrooms leak. The Huangs and 30 other elderly Chinese tenants, living on welfare and almost all unable to speak English, are terrified they will have nowhere to go.

Even so, the Huangs don't regret leaving China. "Of course America is better," Huang said. "We are talking about a communist country. At least here I have a room. In China we never had enough to wear." The communists, his wife said, "took everything we had away. They took all our money, we had no clothes."

"If you kick us out, Huang said, "we will have nowhere to go." He said his son's family could not take them in if they were evicted. "They have no place for us to stay. He's put a waiter in a restaurant. He rents his apartment."

Even among the Japanese Americans, the wealthiest Asian-American group, there is a small but increasing number of homeless people. A Little Tokyo social service agency here is helping almost 200 people find places to stay, up from only 19 cases five years ago. "We feel this is just the tip of the iceberg," said Shauna Y. Ito, who runs the agency's homeless preservation program.

Ito's clients face the prospect of life on the streets for the same reasons as other people: joblessness, drug abuse, psychiatric problems and other ills.

Larry Alzumi, a 43-year-old cab driver who was born in Massachusetts, lost his savings, more than $10,000, and his apartment in a five-month gambling binge while on vacation in Las Vegas last winter. Ichiko Nishita, a 67-year-old widow who came here 31 years ago, lost her job after she injured her ankle in a fall and then couldn't pay her rent or find a place she could afford.

California-born Masao Kaname, 55, an unemployed welder, spent a month last winter sleeping in a parking lot, going to the Central Union Mission for free meals.

Kaname, whose family lost a farm during the internment of Japanese Americans during World War II, said he knew most people, even other Japanese Americans, would find his situation unusual. "There were a whole lot of people sleeping out there" on the lot, he said, but he didn't think there were any other Japanese Americans.

A small, wiry man with a thin mustache, graying hair and faded tattoos on his arms, Kaname said he only had himself to blame. "I had good jobs and good opportunities . . . but I've been taking dope—heroin and different kinds of dope—since I was 20. That was my downfall."

Japanese-American poverty is "unseen," and largely unreported, activists say, because that group was dispersed around the country after World War II.

THE EFFECT OF THE MYTHOLOGY

Some Asian-American scholars and activists say excessive focus on Asian-American success by the U.S. majority—and inattention to Asian-American failure—is intentional.

"There is a need for the myth," said Ronald Takaki, professor of ethnic studies at the University of California at Berkeley. "Here is a society that is very nervous about the black underclass and gloomy about the economy."

"These are tough economic times," he said, so "you need a model minority to reassure people, they need to be told the American dream still works . . . 'look at these immigrants, they can still do it.'"

The emphasis on success extends to education. While there is no doubt a great number of Asian Americans do very well in school, activists say their situation is also wrongly mythologized.

"Many of the Asian-Pacific American whiz kids' seen at elite schools are the progeny of educated elites from Korea or other Asian countries," Nash said. "There are many working-class and poverty-level Asian-Pacific American youngsters doing as poorly as their non-Asian peer in inner city schools due to lack of books, teachers and so forth. This fact does not get trumpeted in the media because it is easier to blame the African-American and Hispanic victims of our

failing urban schools . . . then to address the real learning needs of all youngsters, including Asian-Pacific American."

Chun and others said the success model is at times insulting and condescending, especially when an Asian-American small grocery store owner is hailed as a great success where a similarly well-educated white would be thought of as a failure. A substantial number of highly educated Asian immigrants have gone backward in status and even living conditions in this country, Chun said.

A recent study of Korean grocers in New York found 78 percent had graduated from college in Korea, and that most had started their businesses mainly with personnel savings. An earlier survey here had similar results.

Won Se Kim and his wife, Sook Hee Kim, were hardly illiterate peasants fleeing poverty or refugees from political oppression when they came here from Korea. The Kims said they came because they thought the United States offered better business opportunities for them and better educational opportunities for their children.

The Kims were an upper-middle-class family in Seoul when they decided to leave in early 1987. Both had master's degrees, his in mathematics and her in biology. Won Se Kim was vice principal of the best high school in Korea, one attended by the children of the elite. Sook Hee Kim also taught there.

But they felt opportunities would be better for their three children in the United States than in the crowded Korean peninsula. They sold their home and cashed in their pensions, raising $120,000 to invest in this country. Neither spoke much English—they don't even now—but running a dry cleaning establishment doesn't require a broad vocabulary. The family, working 14 hours a day, six days a week without vacations for five years, has been able to earn about $50,000 a year, they said.

That was more than they were earning in Korea, "but we're working much harder here," said Sook Hee Kim, and their house in suburban Los Angeles is scarcely different from the one they sold in Korea."

Still, despite the looting of their cleaners during the recent riot, they say they do not regret their decision to leave. And they believe their children's educational opportunities have improved. One daughter, 27, is a pharmacist, another is graduating from the University of Southern California and a son is studying engineering at California Polytechnic.

"My mom says there's nothing she can do abut it, she has no choice."

J.H. Chang, a pharmacist who emigrated from Korea in 1971, believes some of the problems he is having with his 17-year-old daughter, a chronic runaway, may be part of the price immigrants pay to succeed. Chang and his wife both worked long hours—he at a drug store, she at a laundry—and could not afford child care for their daughter when she was just starting elementary school across the street from their home. The kindergartner spent hours alone waiting for her parents to come home. "I know that's against the law but we had to do it," Chang said. "Maybe that time alone triggered something in her."

The troubles started during junior high school, he said, and have continued since. She was arrested not long ago for shoplifting a coat. She was kicked out of a Catholic high school. Every time she has run away, Chang has tracked her down.

Chang, who says he is still groping for a way to handle his daughter's behavior, believes he may have pushed her too hard to excel.

"She doesn't understand that she's Korean, she thinks she's American. I tell her 'Look in the mirror. Your eyes are not blue, your hair is not blonde.' She's a little Oriental lady, that is the handicap. I tell her you have to work harder than anyone else to overcome the handicap." Chang said. His daughter sees well-to-do whites and "thinks her life is going to be just like that. It's not. . . . There are many qualified Koreans who have gone to the finest schools there and here who can't find a job," he said.

The stress placed on Asian-American students to live up to society's expectations is cited by activists as a contributing factor to an increase in suicides among Asian-American youth.

Elizabeth Gong-Guy, a clinical psychologist at the University of California at Los Angeles, said Asian-American students increasingly have "enormous self-esteem problems" because they have bought "the model minority myth. They feel defective—it really is a problem. They've bought it, their parents bought it." As a result, she sees distressed Asian-American students seeking counseling help "because their grade averages are only 3.2 instead of 3.9."

Other kids want to do well to get jobs," Gong-Guy said, but some Asian-American students "feel they are the standard-bearer for their group, they feel they are serving as a model for their group or their community or their culture. It's really remarkable how it is personalized and turned into a pathology." Gong-Guy said she has not seen any "lessening of the pressure for success" from first- to second-generation immigrants. "The pressure is enormous."

PORTRAIT OF ASIAN-AMERICANS

[Income, poverty and language]

	Median family income as fraction of U.S. overall median	Poverty rate	Percentage who do not speak English well
Indochinese Asians:			
Laotian	.26	67.2	69
Hmong	.26	65.5	63
Cambodian	.45	46.9	59
Vietnamese	.65	33.5	38
Thai	.97	13.4	12
Other Asians:			
Korean	1.03	12.5	24
Indonesian	1.06	15.2	6
Pakistani	1.08	10.5	10
Chinese	1.13	10.5	23
Filipino	1.19	6.2	6
Asian Indian	1.25	10.6	5
Japanese	1.37	4.2	9
All Asian Americans	1.19	10.3	15
All Americans	1.00	9.6	4.4

Note.—Data are from 1980.

Source: U.S. Census Bureau, Population Reference Bureau.•

THE KAHLA LANSING CHILD PROTECTION ACT

• Mr. DIXON. Mr. President, I have spoken often throughout my career on the need to protect our Nation's children from crime, abuse and neglect. I have introduced and/or cosponsored numerous bills on the subject. I am proud of my efforts to protect our children from the act of international parental child abduction, and have successfully fought to make it a higher priority of the State Department.

I am particularly pleased with legislation I introduced in November 1991 entitled, "The Kahla Lansing Child Protection Act," otherwise referred to as S. 2065. Senators CONRAD, D'AMATO, SEYMOUR, and MCCAIN have cosponsored this legislation, which is intended to provide tougher penalties for repeat child molesters through an authorization of Federal criminal jurisdiction over child molestation committed by an individual with a prior conviction for the same offense.

Kahla Lansing was a lovely 6-year-old girl from Spring Valley, IL, who one bright September day, was coaxed into the car of a man who had driven into town looking to kidnap a child. Kahla was driven to a granary in Iowa, where she was sexually assaulted and strangled.

Her brutal death shocked the good people of Spring Valley and surrounding communities. Theirs is a typical small town, where one's children have always been able to walk to the park, or run to the store, or roller skate in the street safely. Her murder shattered the idea such crimes cannot happen in small town America. Worse, Mr. President, her murder shattered a family and community who are still struggling to come to terms with the circumstances of her death.

The accused in this case had a record of convictions for sexual assault. He was convicted in Texas some years back on two counts of sexual assault. At that time he was sentenced to 10 years in prison on each count, to be served concurrently. He actually spent less than 3 months in jail.

It was upon his release from a Texas jail that he proceeded to drive his way north, stopping in Galesburg, IL, where he is suspected of having molested a child, and Spring Valley, where he brutally ended Kahla Lansing's life.

Had he spent the full term of his sentence in jail, Kahla Lansing would be alive. He did not spend his full term in jail. He did not even spend half of his sentence behind bars. He spent less than 5 percent of his sentence in jail, Mr. President.

Is that just?

I hope to enact the Kahla Lansing Child Protection Act prior to the end of this session. Her death must not be in vain. Our children must be given all the protections of the law appropriate. We owe them, and Kahla, no less.

I ask that an article from the June 21, 1992, Chicago Tribune be inserted at this point in the RECORD.

The article follows:

TOWN STILL SHAKEN BY GIRL'S KILLING—FIRST GRADER'S DEATH CARVES A LASTING IMPRESSION IN ALL

(By Matt Murray)

SPRING VALLEY, IL.—Memories of 6-year-old Kahla Lansing surfaced unexpectedly throughout the past year at Lincoln School.

"Every now and then, out of the clear blue, a student would raise his or her hand and say, 'I want to talk about Kahla,'" said James Narczewski, the school's principal and mayor of this quiet northwestern Illinois

town of 5,200. "So it was up to the teacher to step back and talk about it. Not to cut them off. But she'd set a time limit, like, "We'll talk about it for five minutes and then we'll get back to math.

"The questions were along the line of, "Why did God let this happen? 'Why did it happen to Kahla? When is she coming back?"

It was one of many signs that the kidnapping and murder last fall of Kahla, a blond 1st grader at Lincoln School, remained fresh in the minds of residents even as the months passed.

"This case will never be forgotten," said Marc Bernabei, the Bureau County state's attorney and a Spring Valley resident. "We will never, ever forget what happened in this case. All of us feel like we've lost one of our own children."

At the time of her death, Kahla was known for her love of Barbie dolls and cats, and her deep feelings for her father, Robert, who had been killed in a car accident two years earlier.

She was kidnapped from the street near her home on Sept. 28, after roller-skating with friends. Her disappearance sparked a massive investigation and search, involving dozens of police officers from several agencies and hundreds of volunteers.

Nervous parents, accustomed to thinking their small town was safe, began driving their kids to and from school and keeping them inside the house the rest of the time. Children complained of nightmares and showed signs of depression.

After two weeks, the investigation led to the arrest of a drifter, Jeffrey Rissley, of Benton Harbor, Mich, who told police he had kidnapped Kahla at random while cruising through the town, 100 miles southwest of Chicago, on U.S. Highway 6. He told police he took her to an abandoned granary in eastern Iowa, where her body was found two weeks later.

Apparently, investigators, said, Rissley lured Kahal into his truck by offering a soft drink, then drove with her for about an hour before leaving town. Rissley told police the girl asked him to be her daddy.

An autopsy showed Kahla had been sexually assaulted and strangled with the cord of an electric blanket.

Residents were shocked at the brutality of the crime. Some said it was better to know what had happened to Kahla than to always wonder about her disappearance.

But as the months have passed, residents have learned that knowledge of Kahla's fate, Rissley's arrest and the subsequent funeral have not closed the book on the case.

"It'll never be closed," said Police Chief Doug Bernabei, who is the state's attorney's brother and the chief investigator in the case. "Kahla will always have an impact on this town forever and forever and forever."

As resident Candyee Wolsfeld, 36, put it: "Our children have been permanently affected. When they grow up and someone asks them what's the most significant thing that happened in their youth, this is what they will talk about."

Concerned for her children, Wolsfeld, a close friend of Kahla's mother, Susan Ballerin, established a neighborhood watch program and brought the McGruff crime watch program to town. Ballerin has helped in the programs, but declined to be interviewed for this story.

In the neighborhood watch program, residents on foot or in car patrols keep watch over neighbors' homes during vacations. In the McGruff program, residents are screened, and if they check out, their homes are offered as "safe houses," where kids can come if they need a safe place. So far, there are 55 "safe houses."

In the last few months, several memorials have been set up to honor Kahla. A room for children who are victims or witnesses to crimes has been opened at the Bureau County Courthouse and dubbed "Kahla's Room." A Kahla Lansing Memorial Award will be awarded every fall to a resident who has worked to protect the children of Spring Valley and Bureau County. The recipient's name will be added to a plaque in City Hall.

In April, the Lincoln School took a $5,000 donation in Kahla's name from the local electric company and bought a gigantic green-and-black jungle gym, featuring a chain ladder, two slides and monkey bars.

"Kahla would like this," Narczewski said. "It's kind of a nice way to remember her."

The town's feelings of vulnerability intensified in February when Lee Adams, a man who had lived in town for several years, allegedly stabbed to death his 9-month-old son, Justin.

Adams since has been committed to a mental health center, where he will stay until he is declared fit to stand trial.

"It's been an incredible year," Marc Bernabei said. "This is very, very unusual. Murders are very, very rare around here. Or at least they used to be."

Since his arrest for Kahla's murder, Rissley has been in the Bureau County Jail in nearby Princeton. He had been awaiting trial on charges of first-degree murder and aggravated kidnapping.

Police say Rissley, 29 has been passive and well-behaved. Most of the time, he has been kept in isolation. He keeps a Bible, by his bed, according to Bureau County Sheriff's Chief Deputy John Thompson.

A few weeks ago, Rissley tried to hang himself, but he was cut down by sheriff's deputies, Thompson said. Police also discovered that he apparently had dug out several of the blocks in his cell wall, in an effort to escape, Thompson said.

Many in town are still angry that Rissley had claimed, in pleading innocent, that Kahla had been the victim of a cult killing.

On June 11, 10 days before his trial was to start, the case took a surprising turn. Rissley appeared at a hastily arranged hearing, where he reversed his plea, admitting to the crime. A sentencing hearing is scheduled on Aug. 17, and prosecutor Bernabei has said he intends to pursue the death penalty.

"At least we've got the answers," said police chief Doug Bernabei. "His guilty plea starts us toward the end of this trauma for the community. It's the first of the major steps."

The most tangible reminder of the crime lies across the Illinois River, a few miles from Spring Valley in a corner of the Granville Cemetery.

Some grass has started to grow at the spot where Kahla Lansing is buried, but much dirt remains exposed, and the outline of the grave remains clear. A red and blue pinwheel sticks out of the ground, twirling in the breeze. Cloth pink roses and green clover are placed at the head of the grave.

A Barbie doll sits in front of the large, gray, granite tombstone. A smaller Barbie reclines on an edge of the stone, next to a ceramic kitten. At the left, a wooden cross is placed in the ground; at the right, a green wreath adorned with several kitten stickers that are starting to peel off.

Beloved Kahla Jean Lansing, the tombstone reads, Then:

Gentle and pure.
Innocent and kind.
Cherished and loved.
A princess.
An architect.
A skater.
A star.

May 17, 1985–Sept. 29, 1991.

Kahla Lansing is buried next to her father.•

SALUTE TO LEE ZENI

• Mr. SARBANES. Mr. President, on June 30, Mr. Lee Zeni, an outstanding public servant will retire from the Interstate Commission on the Potomac River Basin [ICPRB] where he has served our Nation and State with distinction as executive director for 5 years. I congratulate Lee on his retirement and thank him for his many years of distinguished public service.

The ICPRB was established by Congress in 1940 as a factfinding and coordinating agency dedicated to eliminating pollution in the Potomac River. Its success has involved coordination with literally dozens of State and Federal agencies as well as the public. Mr. Zeni has made extraordinary progress in bringing these groups together and coordinating their efforts to clean the Potomac's waters. During his tenure the Commission has taken on new challenges including the regional Chesapeake Bay cleanup effort, one of the ICPRB's most urgent and important programs.

Mr. Zeni also helped initiate another cleanup effort—that of the Anacostia River. As executive director, Mr. Zeni had to educate the public, encourage citizen participation, and improve the habitat of the watershed's living resources. This was a critical part of the multiagency effort to clean up the other important river running through our Nation's Capital.

One of Mr. Zeni's most visionary projects has been the restoration of the north branch of the Potomac River to a world class trout fishery. This project will provide economic development through restoration. Mr. Zeni believes that if water quality is restored on this wild and scenic stretch of the Potomac River, trout can flourish; and a vigorous trout fishery will draw fishermen from across the Nation to the north branch to hook trophy-size fish amid beautiful mountain scenery.

Mr. Zeni's achievements as Executive Director of the Interstate Commission of the Potomac River Basin have earned him recognition and respect in the District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia, and the Federal Government. It is my firm belief that public service is one of the most honorable callings, one that demands the very best, most dedicated efforts of those who have the opportunity to serve their fellow citizens. Lee's distinguished career as Executive Director of the Interstate Commission on the Potomac River Basin meets and

exceeds the best traditions of this service.

Mr. President, I commend Lee Zeni, whose career could serve as an example to thousands of young people interested in serving their Government and passing on to future generations a cleaner and better environment.●

THE 1992 DUCK STAMP CONTEST

● Mr. LAUTENBERG. Mr. President, many people who aren't familiar with New Jersey would be surprised to learn that our State boasts many extremely active and ongoing wildlife management and preservation programs. Hundreds of thousands of acres have been set aside by Government agencies and nonprofit groups.

Because we are a small and densely populated State, these special pristine areas and the wildlife that inhabit them are precious to New Jerseyans. In fact, one of the few contribution checkoffs on our tax form is for a special fund for wildlife protection.

That is why we are so proud that an artist from our State, Mr. Joe Hautman, of Jackson, is the winner of the U.S. Fish and Wildlife Service 1992 Duck Stamp Contest. Since 1934, the Federal Duck Stamp Program has generated over $400 million to acquire 4 million wetland acres. In addition to being a collectors item, duck stamps have gained national attention as all waterfowl hunters are required to purchase these stamps.

This year's duck stamp features a spectacled eider. This is a large Arctic duck indigenous only to Alaska. Mr. Hautman's drawing shows the spectacled eider soaring gracefully just above the ocean while other waterfowl glide over the waves below. The spectacular mountains of Alaska serve as a backdrop for the painting. Each year, the program selects different species of ducks that are eligible for the contest. By 2002, all 42 species of North American waterfowl will be represented on these stamps.

Mr. President, I would like to congratulate Mr. Hautman for his participation in this innovative conservation program. There were over 585 entries in this year's Duck Stamp Contest and the selection of his drawing is an honor.●

FORGOING OPPORTUNITIES IN VIETNAM

● Mr. SIMON. Mr. President, recently I saw a letter to President Bush dated May 7, 1992, saying that we are following the wrong course in Vietnam. Our trade embargo has long outlived whatever utility it may have had, and we should stop wasting time and end the embargo now.

While the administration has laid out a roadmap for normalization of ties with Vietnam, I remain unpersuaded that lifting the embargo now will have an adverse impact. It is clear that American businesses are unduly suffering because our economic embargo against Vietnam is still in place, 18 years after the Paris peace accords were signed.

Lifting the embargo does not mean that we will immediately restore relations with Vietnam. That Government must still satisfy all of our inquiries into missing United States servicemen from the Vietnam conflict and respect international standards of basic human rights. Although there has been some movement on MIA's, Vietnam must continue its progress on both fronts. By lifting our embargo we will encourage additional steps on the part of Vietnam. And we will not be giving up any leverage we now have in voting for loans in the multilateral development banks or through our annual most-favored-nation approval process. It is a mystery to me how the Bush administration can promote trade with the People's Republic of China and insist on MFN for Beijing in the name of moderating that Government's brutal domestic and international actions, while at the same time deny that the same policy toward Vietnam would have any positive impact.

American companies like Caterpillar, in my own State, are eager to enter the Vietnamese market, but they lose out to companies based outside the United States with each day that our trade embargo is in place.

At this point, I would like to have a letter inserted into the CONGRESSIONAL RECORD to President Bush from Caterpillar and nine other American companies asking for reduced restrictions on commercial activity in Vietnam.

The letter follows:

MAY 7, 1992.

President GEORGE BUSH,
The White House, Washington, DC.

DEAR PRESIDENT BUSH: As corporate members of the United States-Vietnam Trade Council, we would like to congratulate you on the very successful trip to Vietnam by Assistant Secretary of State for East Asian and Pacfic Affairs, Dr. Richard Solomon, and his delegation last month. We understand great strides were made towards resolving the humanitarian issues lingering from the Vietnam War, the last major obstacle to normalizing relations with Vietnam. We applaud the steps towards normalization the United States has taken in response.

We hope you will now begin to address the concerns of the U.S. business community and reduce the restrictions on commercial activity in Vietnam. We see no inherent conflict between these two American interests, as we would hope that an increase in the number of Americans with independent government and private contacts in Vietnam could augment official efforts on behalf of the U.S. military personnel still missing in action.

The United States economic sanctions with respect to Vietnam have become unilateral, with our allies and trade partners investing heavily and trading vigorously. Accordingly, the effect of the American embargo is not to deny Vietnam access to western technology and financing, but rather to penalize U.S. companies to the benefit of our foreign competitors. The United States is rapidly losing ground and is forfeiting to foreign competition a market where we could have a competitive edge.

In view of this, we would like to encourage you to accelerate the lifting of economic restrictions on business transactions with Vietnam and allow American companies and individuals to freely enter this growing market.

We would like to meet with you or members of your staff to discuss the matter further.

Sincerely,

Caterpillar Inc., Boeing Commercial Airplanes, American International Group, Hunt Oil Company, Amoco Production Company, Windmere Corporation, Chevron Overseas Petroleum, Inc., Phillips Petroleum Company, Coudert Brothers, United Technologies Corporation.●

HONORING GRAY'S CHILD DEVELOPMENT CENTERS

● Mr. KASTEN. Mr. President, I rise today to honor the outstanding efforts of the Gray family of Milwaukee and their successful business, Gray's Child Development Center, Inc.

Mrs. Bessie Gray, the company president, started her business almost 20 years ago in the living room of her own home. With a full-time job as housewife and mother of nine, Mrs. Gray opened her home to assist other families and to help make ends meet for her own family.

Today, nearly two decades later, the 3 Gray's Child Development Centers in Milwaukee provide care for about 300 children and employ almost 100 people.

The Gray's have recently consolidated many of their centers at the former Sisters of Sorrowful Mother Convent in northeast Milwaukee, where Mrs. Gray now employs seven of her children—Wanda, Felicia, Tammy, Claudia, LaSonia, Mark, and Zachary—along with several in-laws and cousins, and her husband, Percy, who supervises the grounds. This is truly a family business. Together they provide high-quality child care for Milwaukee families who rely on their services.

The Gray's will soon celebrate their first anniversary at their new northeast location and will commemorate the 20th anniversary of their business next January. The road to success was not always smooth and easy for Bessie Gray and her family, but because of their dedication and commitment, Mrs. Bessie Gray and her family grasped the American dream and made a positive difference for Milwaukee.

I ask all my colleagues to join me in saluting the entire Gray family, and all their employees, for the terrific job they are doing in providing a very valuable service to the Milwaukee community.●

S. 2327, PERTAINING TO THE NATIONAL SCHOOL LUNCH ACT

• Mr. HATFIELD. Mr. President, on March 10, 1992, I introduced S. 2327, a bill designed to suspend implementation of review regulations, known as the Coordinated Review Effort or CRE, proposed by the Department of Agriculture for the National School Lunch Act. While it is generally preferable to allow the regulatory process to run its course, I introduced this legislation because of my belief that the needs of hungry children take precedence over the bureaucratic needs of the Federal Government and my concern that the proposed regulations would expect too much too soon from a program already overburdened by paperwork.

I am pleased to confirm for my colleagues, particularly the 32 Senators who cosponsored S. 2327, that the American School Food Service Association and USDA have reached agreement on the implementation of these regulations. Thus, legislative action by Congress is not necessary at this time.

As I understand the final agreement, the Department intends to publish interim Coordinated Review Effort regulations by September 1, 1992, and implementation is to occur no sooner than January 1, 1993. I look forward to reviewing the published regulations and to monitoring the success of their implementation in 1993. I will ask that a letter from the American School Food Service Association and a draft of the CRE regulation agreement appear in the RECORD at the conclusion of my remarks.

Mr. President, I want to commend USDA officials, particularly those at the Food and Nutrition Services office, and representatives of the American School Fund Service Association for their perseverance and willingness to reach an amicable resolution to this issue that is of such basic importance to so many children across this country. I would also like to encourage ASFSA and USDA in their commitment to continue to meet periodically to discuss this issue.

I am not alone in my view that a comprehensive reevaluation of the School Lunch Program is necessary. My friend from Maine, the distinguished majority leader, Senator MITCHELL, accompanied by Senator LEAHY, has introduced legislation calling for the Secretary of Agriculture to conduct a study on the options for instituting income-blind, universal-type school lunch and breakfast programs. While I continue to have reservations about proposals to give the program universal coverage due to fiscal concerns, this type of comprehensive inquiry will be beneficial in uncovering problems that may hinder the School Lunch Program from achieving its primary goal: feeding hungry children.

I ask that the letter to which I earlier referred and a draft of the CRE regulation agreement be printed in the RECORD.

The material follows:

AMERICAN SCHOOL FOOD SERVICE ASSOCIATION,
Alexandria, VA, June 24, 1992.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, DC.

DEAR SENATOR HATFIELD: On behalf of the American School Food Service Association, I would like to express our deep appreciation to you for your support and leadership on the CRE issue. The American School Food Service Association and the Department of Agriculture have agreed to a series of changes in the "final" CRE regulation. A list of the changes is attached.

The Department of Agriculture has announced that it will implement these changes by promulgating interim regulations no later than September 1, 1992. Further, so that school foodservice administrators will have time to comment on the interim regulations and to fully absorb these changes, the implementation date for the new system will be no earlier than January 1, 1993—or later if the interim regulations are not published by October 1, 1992.

While it is unfortunate that it took H.R. 4338 and S. 2327 to move this issue forward, we feel it best to resolve this matter without legislation if at all possible. The changes agreed to by the Department of Agriculture greatly improve the CRE system, and we have agreed to meet periodically to discuss CRE implementation. We thank USDA for the time and effort they put into this issue. We, therefore, respectfully suggest that the Congress not move forward with the CRE legislation now that the regulatory process is back on track.

Thank you again for your support and for your responsiveness to our concerns.

With best regards,

Sincerely,

SUE GREIG, R.D.,
President.

CHILD NUTRITION DIVISION

Issues	Action
Coordinated review effort (CRE) issues:	
Abbreviated Review of Applications: Amend the regulations to allow State agencies to evaluate the certification process by reviewing a sample of applications in accordance with procedures to be established by FNS.	Regulatory
Witholding of Payments: Limit withholding of payments to critical areas which exceed the review threshold(s) on a follow-up review. Withholding for general areas and for critical areas which fall below the threshold would be at the discretion of the State agency.	Do.
Fiscal Action: On a first review, fiscal action for errors of certification, issuing benefits and updating eligibility status would be for the review period only; provided corrective action occurs.	Do.
Increased Disregard: Allow State agencies to disregard any overpayment resulting from reviews or audits if the total, in any fiscal year, does not exceed $500 in a small school food authority and $750 in a large school food authority.	Do.
Administrative Appeal: Develop an administrative appeal procedure similar to the procedure established for the Child and Adult Care Food Program.	Do.
Alternative Review Cycle: Re-evaluate the duration of the review cycle by July, 1994 based on operational experience gained in the first and second year of the initial 4-year cycle.	Do.
School Selection Critena: Limit the number of residential child care institutions to be reviewed to the minimum number specified on Table A.	Do.
Simplified Review of Benefit Issuance: Develop a review procedure which allows State agencies to test benefit issuance by reviewing a sample of benefit issuance actions when few or no errors are found.	Policy
Current Applications: Allow State agencies the option of reviewing free and reduced price applications effective for the review period (as required in Coordinated Review) or of reviewing the applications effective for the day of review.	Regulatory
Underclaims/Overclaims: Allow monthly underclaims to offset monthly overclaims to the extent that overclaims are reduced.	Policy

CHILD NUTRITION DIVISION—Continued

Issues	Action
Simplified Review Form: Limit the complexity of review through a simplified review form.	Do.
Additional CRE issues:	
January 1 Implementation: Remove the July 1, 1992 effective date for the CRE. Establish a mandatory effective date of January 1, 1993 or a date 90 days after publication of the interim regulation, whichever is later.	Regulatory
Withholding Payment: The State agency may, at its discretion, reduce the amount withheld from a school food authority which fails to take corrective action by as much as 50% when it is determined to be in the best interest of the program. To withhold less than 50 percent would require the concurrence of FNS.	Do.
Review Cycle: Clarify that a State agency may establish a review schedule that accommodates the State agency's special circumstances; provided that all school food authorities are reviewed within the 4 year review cycle. Clarify that State agencies may count any CRE reviews conducted prior to the mandatory effective date towards meeting the requirements of the first review cycle.	Preamble
Fiscal action: Clarify that State agencies are required to base fiscal action on accurate local data, to the extent it is available. Use of projections based on State or national percentage should be the last resort when calculating fiscal action.	Do.

Source: Food and Nutrition Service, USDA.•

SYMBIOTECH, INC.

• Mr. DODD. Mr. President, recently I had the pleasure of paying a visit to SymBiotech, Inc., a small high-technology research firm in Wallingford, CT. SymBiotech was started just 5 years ago, but it has already become a small business success story.

From its humble beginnings as a two-man basement operation, SymBiotech has grown to an eight-person research firm with experience in a variety of fields, such as biochemistry, medical technology, chemical engineering and environmental technologies. Under the able leadership of cofounders Robert Coughlin and Edward M. Davis, Symbiotech has managed to secure nearly a dozen grants under the Small Business Innovation Research Program, for everything from biodegration of heavy hydrocarbons to miniaturized liquid extraction for drug assays.

Mr. President, SymBiotech is a perfect example of the importance of supporting small manufacturers and research firms around the country. In fact, companies of 20 employees or more are responsible for a large majority of the economy's growth—and their contribution to the Nation's technology base cannot be measured in dollars.

Many of these companies, like SymBiotech, are supported by the Small Business Innovation Research Program, or SBIR. Under the SBIR program, each Federal agency is required to devote 1.25 percent of its budget for grants to small businesses that pursue innovative research. During the last fiscal year, SBIR provided almost $500 million in grants to small firms, including $18 million in grants to companies in Connecticut.

Since it acts as a set-aside within funds that have already been budgeted, the SBIR Program has virtually no impact on the budget. In my view, SymBiotech is a perfect example of

why we should support an increase in the SBIR set-aside—and why we must rededicate ourselves during these difficult economic times to the assistance of small businesses everywhere.

Mr. President, the coming decline in our defense budget poses a great threat to workers and communities in many regions of our country. If we are to retain our high-technology industrial base and our skilled work force during this transitional period, it is programs like the Small Business Innovation Research Program that must play a role. And it is companies like SymBiotech, Inc., which will lead the way.●

ORDER FOR SEQUENTIAL REFERRAL

Mr. CONRAD. Mr. President, I ask unanimous consent that Calendar No. 387, S. 1581, the Technology Transfer Improvements Act of 1991, be sequentially referred to the Committee on the Judiciary until July 31, 1992, further that if the Judiciary Committee has not reported the measure by that time, it then be automatically discharged and returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE PLACED ON THE CALENDAR—HOUSE CONCURRENT RESOLUTION 192

Mr. CONRAD. Mr. President, I ask unanimous consent that House Concurrent Resolution 192, a concurrent resolution on the organization of Congress be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

REREFERRAL OF A BILL—S. 2834

Mr. CONRAD. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of S. 2834, relating to the John J. Williams Post Office, and that the bill be rereferred to the Government Affairs Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

The PRESIDING OFFICER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:30 a.m., Thursday, June 25; that following the prayer, the Journal of proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; that there be a period for morning business not to extend beyond 11 a.m., with Senators permitted to speak therein for up to 5 minutes each; that immediately following the Chair's announcement, the following Senators be recognized in the order listed and for the time limits specified: Senator REID for up to 15 minutes; Senator BIDEN for up to 1¼ hours; Senators ADAMS and LEAHY for up to 10 minutes each; Senator PRYOR for up to 20 minutes; Senator RUDMAN for up to 5 minutes; and Senator SIMPSON, or his designee, for up to 10 minutes; that at 11 a.m., the Senate resume the pending business; and that Senator NICKLES than be recognized for the time periods specified under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 8:30 A.M. TOMORROW

Mr. CONRAD. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 8:13 p.m., recessed until Thursday, June 25, 1992, at 8:30 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, June 24, 1992*

The House met at 10 a.m.

The Reverend Dr. Karl K. Stegall, First United Methodist Church, Montgomery, AL, offered the following prayer:

Almighty God, judge of all nations, we offer Thee our heartfelt thanks today for the good land which we have inherited. We praise Thee for all of the noble souls who in their day and generation did give themselves to the call of liberty and freedom, counting their own lives not dear, but giving all devotion to establish a land in the fear of the Lord. More especially today, we pray for all Members of this House of Representatives. Enlarge their vision, increase their wisdom, and purify their motives. Let them always remember that they serve a public trust beyond personal gain or glory. May they lead us in the way of righteousness as they acknowledge their dependence upon Thee. 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 I, rule I, the Journal stands approved.

Mr. GOSS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

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

Mr. GOSS. 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. 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 266, nays 130, not voting 38, as follows:

[Roll No. 221]

YEAS—266

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Bacchus
Barnard
Bateman
Beilenson
Bennett
Berman
Bevill
Bilbray
Blackwell
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clement
Clinger
Coleman (TX)
Collins (IL)
Combest
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Dreier
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (TX)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Foglietta
Ford (TN)
Frank (MA)
Frost
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Hoagland
Hochbrueckner
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jefferson
Jenkins
Johnson (SD)
Johnson (TX)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kopetski
Kostmayer
Kyl
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCurdy
McDermott
McHugh
McMillen (MD)
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Morrison
Mrazek
Murtha
Myers
Natcher
Neal (MA)
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Packard
Pallone
Panetta
Parker
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Poshard
Price
Rahall
Rangel
Ravenel
Reed
Richardson
Rinaldo
Ritter
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sangmeister
Sarpalius
Sawyer
Scheuer
Schulze
Sharp
Shaw
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Waters
Waxman
Williams
Wilson
Wise
Wolpe
Wyden
Wylie
Yates
Yatron

NAYS—130

Allard
Allen
Armey
Baker
Ballenger
Barrett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Bunning
Burton
Callahan
Camp
Campbell (CA)
Chandler
Clay
Coble
Coleman (MO)
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Doolittle
Dornan (CA)
Duncan
Emerson
Ewing
Fawell
Fields
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gingrich
Goodling
Goss
Gradison
Grandy
Hancock
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Klug
Kolbe
Lagomarsino
Leach
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lowery (CA)
Machtley
Marlenee
Martin
McCandless
McCollum
McDade
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Murphy
Nussle
Oxley
Paxon
Penny
Porter
Pursell
Quillen
Ramstad
Regula
Rhodes
Ridge
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shays
Shuster
Sikorski
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—38

Alexander
Bonior
Collins (MI)
Coughlin
Davis
Dymally
Edwards (OK)
Engel
Flake
Ford (MI)
Gaydos
Gillmor
Hansen
Hefner
Hertel
Hunter
Jones (GA)
Kolter
McCloskey
McCrery
McGrath
McNulty
Mfume
Morella
Nagle
Neal (NC)
Pastor
Ray
Sanders
Savage
Schumer
Serrano
Thomas (GA)
Traxler
Washington
Weiss
Wheat
Whitten

□ 1022

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from California [Mr. DANNEMEYER] come forward and lead the House in the Pledge of Allegiance.

Mr. DANNEMEYER 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.

WELCOME OF DR. KARL K. STEGALL

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

Mr. DICKINSON. Mr. Speaker, it is my special privilege to welcome to this House a very dear friend and an unwavering source of personal inspiration, the Reverend Karl K. Stegall—pastor of the First United Methodist Church of Montgomery, AL.

Through the years, my wife and I have been touched by Karl's dedication to the Lord and his compassion to aid his fellow man. This dedication is certainly evidenced by his exemplary record of charitable and volunteer service.

An outstanding member of the clergy in Alabama, Karl has played an active role in many local community service organizations, including leadership positions with the Family Guidance Center, the Montgomery Habitat for Humanity, the Montgomery Area Council on Aging, and the Montgomery United Way.

He was a member of Leadership Montgomery's Class of 1991, and has served as past president of the Montgomery Ministerial Union.

Equally impressive has been his participation in church affairs, including serving as a delegate to the World Methodist Council in 1982; treasurer of United Methodist Communications; and, contributing articles for the Upper Room, the Christian Advocate, and other publications.

Karl sits on the advisory board of Huntingdon College in Montgomery, and has served on the board of trustees of Birmingham Southern College.

A native of Sumter County, AL, and a recipient of educational degrees from the University of Alabama, Auburn University, Emory University, and Birmingham Southern College, Dr. Karl Stegall is a clear reflection of Christian wisdom.

I know that I am joined by the entire House in expressing gratitude for his insightful message this morning.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills, a joint resolution, and concurrent resolution of the House of the following titles:

H.R. 2818. An act to designate the Federal building located at 78 Center Street in Pittsfield, MA; as the "Silvio O. Conte Federal Building", and for other purposes;

H.R. 3041. An act to designate the Federal building located at 1520 Market Street, St. Louis, MO, as the "L. Douglas Abram Federal Building";

H.R. 3711. An act to authorize grants to be made to State programs designed to provide resources to persons who are nutritionally at risk in the form of fresh nutritious unprepared foods, and for other purposes;

H.R. 4548. An act to authorize contributions to U.N. peacekeeping activities;

H.J. Res. 509. Joint resolution to extend through September 30, 1992, the period in which there remains available for obligation certain amounts appropriated for the Bureau of Indian Affairs for the school operations costs of Bureau-funded schools; and

H. Con. Res. 331. Concurrent resolution authorizing the use of the Capitol grounds for the Greater Washington Soap Box Derby.

The message also announced that the Senate had passed a bill, joint resolutions, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1623. An act to amend title 17, United States Code, to implement a royalty payment system and a serial copy management system for digital audio recording, to prohibit certain copyright infringement actions, and for other purposes;

S.J. Res. 221. Joint resolution providing for the appointment of Hanna Holborn Gray as a citizen regent of the Smithsonian Institution;

S.J. Res. 259. Joint resolution providing for the appointment of Barber B. Conable, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution.

S.J. Res. 275. Joint resolution providing for the appointment of Wesley Samuel Williams, Jr., as a citizen regent of Board of Regents of the Smithsonian Institution; and

S. Con. Res. 112. Concurrent resolution to authorize printing of "Thomas Jefferson's Manual of Parliamentary Practice," as prepared by the Office of the Secretary of the Senate.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5260. An act to extend the emergency unemployment compensation program, to revise the trigger provisions contained in the extended unemployment compensation program, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 5260), "An act to extend the emergency unemployment compensation program, to revise the trigger provisions contained in the extended unemployment compensation program, and for other purposes," and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BENTSEN, Mr. MOYNIHAN, Mr. BAUCUS, Mr. PACKWOOD, and Mr. DOLE, to be the conferees on the part of the Senate.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
June 23, 1992.

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in clause 5 of rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 6:55 p.m. on Tuesday, June 23, 1992, and said to contain H.R. 2507, the "National Institutes of Health Revitalization Amendments of 1992," and a veto message thereon.

With great respect, I am
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

NATIONAL INSTITUTES OF HEALTH REVITALIZATION AMENDMENTS OF 1992—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-349)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith without my approval H.R. 2507, the "National Institutes of Health Revitalization Amendments of 1992," which would extend and amend biomedical research authorities of the National Institutes of Health (NIH).

Before discussing the flaws of H.R. 2507, I must clarify two misperceptions. First, H.R. 2507 is not necessary to assure that Federal spending continue for biomedical research, or for research related to any disease, disorder, or condition. Second, H.R. 2507 is not necessary to increase support for research targeted at women's health needs. Great progress is being made in the area of women's health under the valued leadership of the first female director of the NIH.

H.R. 2507 is unacceptable to me on almost every ground: ethical, fiscal, administrative, philosophical, and legal. I repeatedly warned the Congress of this at each stage of the legislative process. The bill's provisions permitting the use of tissue from induced abortions for federally funded transplantation research involving human subjects are inconsistent with our Nation's deeply held beliefs. Moreover, it is clear that this legislation would be counterproductive to the attainment of our Nation's health research objectives.

H.R. 2507 is objectionable because it would lift the current moratorium on the use of Federal funds for fetal tissue transplantation research where the tissue is obtained from induced abortions. Let it be clear: This is not a moratorium on research. It is only a moratorium on the use of one source of tissue for that research. I believe this moratorium is important in order to prevent taxpayer funds from being used for research that many Americans find morally repugnant and because of its potential for promoting and legitimatizing abortion.

My Administration is strongly committed to pursuing research to find cures and treatments for such disorders as Parkinson's disease, diabetes, and Alzheimer's disease that have been held out as areas where fetal tissue research might be pursued. Fetal tissue transplantation research relating to these disorders can proceed without relying on tissue from induced abortions. Medical experts at the Department of Health and Human Services have assured me that ectopic pregnancies and spontaneous abortions provide sufficient and suitable tissue to meet an-

ticipated research needs. Therefore, on May 19, 1992, I issued an Executive order establishing a fetal tissue bank that will collect tissue from these sources so as to meet the needs of the research community. The bank will provide tissue directly to scientists for their research. This approval truly represents the pro-research and ethical alternative that will allow this research to go forward without relying on a source of tissue that many find to be morally objectionable.

H.R. 2507 also contains fiscally irresponsible authorization levels. The total cost of the provisions in this legislation could exceed the FY 1993 Budget I presented to the Congress by $3.2 billion. It is exceedingly unlikely, if not impossible, that the Congress can fund the programs contained in H.R. 2507 while complying with the requirements of the Budget Enforcement Act. That being the case, the expectations that this bill will create are unreasonable. Those who suffer from the many diseases and disorders that are the subject of this unrealistic legislation will be sadly disappointed.

H.R. 2507 is also objectionable because its provisions regarding the appointment of "Ethics Advisory Boards" are inconsistent with the Appointments Clause of the Constitution. H.R. 2507 would effectively give these boards unilateral authority to make decisions concerning major research initiatives. As a policy matter, these decisions should be made by the President's chief officer on health issues: The Secretary of Health and Human Services. More fundamentally, however, the Appointments Clause requires that officers vested with this type of power be appointed by the President by and with the advice and consent of the Senate. Instead, H.R. 2507 provides that they are to be appointed by the Secretary of Health and Human Services and then purports to circumscribe the discretion of the appointing authority by imposing various requirements concerning the boards' composition. H.R. 2507's provisions regarding the Scientific and Technical Board on Biomedical and Behavioral Research Facilities and the Office of Research on Women's Health likewise raise Appointments Clause problems.

In addition, H.R. 2057 contains reporting requirements that impair the separation of powers. For example, the bill would require the Director of the National Cancer Institute to submit to specified committees of the Congress the original plan, and any revisions to that plan, regarding certain cancer research. This requirement to submit to the Congress what is in essence a draft plan without the prior review and approval of the executive branch clearly interferes with the deliberative process of the executive branch. The internal workings of the executive branch should be just that—internal. To require the executive branch to display each step in its deliberative process to the Congress would destroy my ability to speak as the single voice of a unitary executive.

I am also troubled by the increasingly frequent imposition of reporting requirements. H.R. 2507 imposes a significant number of new reporting requirements on an executive branch that already suffers under the burden of literally thousands of such requirements. Last October, I noted that "taken together such reports put a heavy burden on the reporting agencies at a time of scarce resources." Thus, I called for "an effort to minimize reporting requirements, both in terms of the number and frequency of reports that must be submitted, as well as the level of detail required," Bills such as H.R. 2507 move us in the opposite direction.

For these reasons, I am returning H.R. 2507 without my approval, and I ask the Congress to adopt a simple extension of those appropriations authorizations for the National Institutes of Health that need to be extended.

GEORGE BUSH.

THE WHITE HOUSE, *June 23, 1992.*

□ 1030

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the message and bill will be printed as a House document.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from California [Mr. WAXMAN] for 1 hour.

Mr. WAXMAN. Madam Speaker, under the customary operations of the House, I yield half of that time to the gentleman from California [Mr. DANNEMEYER].

Madam Speaker, I yield myself 3 minutes.

The SPEAKER pro tempore (Mrs. MINK). The gentleman from California [Mr. WAXMAN] is recognized for 3 minutes.

Mr. WAXMAN. Madam Speaker, I want to be brief, because there are many Members who want to speak on this question.

This legislation is about many things. It is about creating a new program for breast cancer research, the disease that will strike 1 out of 9 American women and will kill 40,000 American women this year. It is about creating a new program for prostate cancer research, the leading cause of cancer in men and the second leading cause of cancer deaths in men. It is about extending programs in heart research, the No. 1 cause of death in the United States. It is about research on aging, on children's vaccines, on osteoporosis, on AIDS, on infertility, on ovarian cancer. It is about the health of America.

But the major point of debate in this bill is the provision regarding fetal-tissue transplantation research. This research is promising for treatment of Parkinson's disease, Alzheimer's, diabetes, spinal cord injury, genetic diseases, and even birth defects.

The bill would reverse the ban that has been placed on Federal funding for such research. It would implement the safeguards recommended by the Reagan-appointed review panel, and it would prohibit the sale of fetal tissue and prohibit the donation of tissue for a specific person.

This is not about whether abortion is legal or not. It is about what happens after an abortion, whether the tissue from an abortion may be used to save another life or simply thrown away.

This bill will not cause more abortions. Women simply do not have abortions in order to donate to research. There is no evidence of it after 4½ years of debate and our review of other research projects around the world.

The President vetoed this bill. He said it is not necessary to increase support for research targeted at women's health needs. He said those needs are already being met. But the fact is no research initiatives in this area were ever begun before this legislation. He said that fetal tissue transplantation research is inconsistent with our Nation's deeply held beliefs. Well, our Nation deeply believes that we should not ignore those people who have Parkinson's and diabetes and Alzheimer's—diseases that may be cured if we allow this research to go forward.

The President of the United States says that research that we are proposing go forward is morally repugnant to many Americans. Well, I find it morally repugnant to tell people with these dreaded diseases that finding a cure for those diseases may be too controversial and it is better to take the tissue of fetuses and throw them in the trash.

Madam Speaker, we are going to have a discussion of this issue, and I hope at the end we will pass this bill notwithstanding the President's veto.

This is research, and we should support research and not follow the shortsighted politics that the President has sought to pursue.

Madam Speaker, I reserve the balance of my time.

Mr. DANNEMEYER. Madam Speaker, I yield myself 2 minutes.

Madam Speaker, this bill grew like Topsy. When it left the House, it authorized some $4.3 billion. When it came back from the conference what do you know, $7.3 billion, $3 billion over the President's request for fiscal year 1993.

If we want to know why spending is out of control, this is a prime example.

I really do not understand what the motivation is behind expanding the regulation that now exists regarding fetal tissue, because the regulation

that the administration now supports, which I support, permits tissue from ectopic and spontaneous abortions to be used for research purposes.

Dr. Mason, the head of the U.S. Public Health Service, recently, in an excellent op-ed piece, on the fetal-tissue bank, pointed out that from these two sources we can receive tissue from some 100,000 ectopic pregnancies and 750,000 spontaneous abortions. We have 500 samples of tissue from the ectopic and 1,500 from spontaneous, a total of 2,000 sources of tissue that can be used for research.

Dr. Mason says that this quantity is sufficient to satisfy the needs of research as presently planned or contemplated, because in the last 30 years they have had 60 experimental fetal-tissue transplants to humans. In other words, the available supply from these two sources is sufficient to meet the need that has existed for the purpose of eliminating or finding cures for now incurable diseases.

There is no need to have the availability of tissue from induced abortions, and the rationale for that is, I think, supplied by the quote from a person today that supports the whole concept of abortion on demand, a feminist by definition, when she said:

> There is a tendency of reproductive technologies in which women become the resources whose bodies are mined for scientific gold, whose body becomes raw material. We are also concerned that women themselves do not become handmaidens for medical procedure transplants.

Mr. WAXMAN. Madam Speaker, I yield 1 minute to the gentlewoman from New York [Ms. SLAUGHTER].

□ 1040

Ms. SLAUGHTER. Madam Speaker, the women of America have been dealt a harsh blow. When the President vetoed the NIH reauthorization bill yesterday, he as much as admitted his administration's indifference to the life and death issues which plague women.

To the grieving daughter who wonders if she will soon develop breast cancer because the disease just claimed the life of her mother, the President's veto says, "I don't care."

To the young woman dying of ovarian cancer who might have the hope of living if only scientists knew how to detect the cancer in its earliest stages, the President's veto says, "I don't care."

The Director of NIH, Dr. Bernadine Healy herself, used to say: "Women's health [at NIH] has always taken a back seat." Well, today we women who thought we would venture to take a step forward were put back in our place. The administration says women's health research is unnecessary. They prefer to focus their energies and their rhetoric on some ambiguous notion of family values; but when are they going to realize that American women are at the heart of every American family?

When are they going to realize that a healthy family needs a healthy mother, healthy sisters, and healthy daughters? And, how long must American women—whose very own tax dollars pay for the health research undertaken by NIH—wait for the administration to wake up and pay attention to the health issues they care about?

We will wait no longer. Too many women's lives have been cut short. I will vote today to override the President's veto of the NIH reauthorization. I hope my colleagues will listen to the pleas of the women they represent and join me in this vote to reaffirm the priority of women's health in this country. America's women will be watching and will hold us to account.

Mr. DANNEMEYER. Madam Speaker, I yield 3 minutes to my colleague, the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Madam Speaker, Dr. C. Everett Koop, the highly distinguished former Surgeon General, fully concurs with, supports and endorses the President's decision to establish a fetal-tissue bank to test the efficacy of such research and to do it in an ethical way.

To the best of my knowledge, there is a clear consensus that the President's fetal-tissue bank raises no ethical concerns whatsoever.

On the other hand, the research on unborn babies authorized in the NIH bill raises serious moral and ethical issues that cannot be ignored or brushed aside.

Sadly, in the legislation rightly vetoed by the President, unborn children are dehumanized, victimized, and maligned. These vulnerable and helpless victims are reduced to the status of guinea pig, of property to be exploited for their organs and brain tissue. To say that these babies are not treated with respect or dignity would be the understatement of the year.

Let me again remind Members that if this flawed legislation becomes law, a close collaborative relationship between abortion mills and the research community would be established. Abortionists who make money by cruelly cutting and dismembering healthy baby girls and boys would now find additional rationalization for plying their deadly craft. Establishing a federally subsidized program whereby baby brains and other body parts obtained in this way are provided to researchers, makes researchers—and us—accessories to acts of medical child abuse. There is little doubt that Federal funding would serve to both legitimize and facilitate this unethical practice.

If you want to get a clear picture of what a vote to override the veto will subsidize with taxpayers funds, consider this account of fetal brain tissue extraction, the brave new world embraced by this legislation, from the June 1989 issue of Archives of Neurology:

> Two methods to collect fetal material were used. With the first method, a plastic cannula connected to a 60 ml syringe was inserted into the uterus. Under ultrasound guidance, the opening of the cannula was directed to the fetal head. Suction was applied, and the fetus was slowly aspirated and fragmented into the cannula. Alternatively, a similar low-pressure vacuum aspiration technique (regulated by a vacuum pump), but without ultrasound guidance and using a metal cannula, was employed.

You may be shocked to learn that one member of the research team that conducted these hideous brain stealing experiments included one of the NIH Advisory Board panelists, Dr. Barry Hoffer of the University of Colorado, who was among those who voted to overturn the administration's moratorium on fetal tissue research from induced abortion.

It is outrageous that ultrasound imaging—a marvelous diagnostic tool used to detect certain anomalies in unborn kids and to measure fetal growth—is being misused to discover the whereabouts of a baby's brain in order to destroy the baby in a way that is most likely to yield usable baby brain tissue.

If you think this kind of cruel research is ethical, applying suction to the skulls of helpless infants—your vote is to overturn the President's veto.

But it seems to me that we would not treat our pet dog or cat with the same cruelty, indifference, irreverence and insensitivity afforded unborn children in this legislation.

Let me note, Madam Speaker, that the issue today that Members are objecting to is not women's health- or cancer-related research. To tangibly underscore my commitment to cancer research, I have introduced H.R. 5340. H.R. 5340 would provide $2.2 billion for cancer research with $325 million for breast cancer research, and $75 million for ovarian and cervical cancers. The legislation has already been cosponsored by 33 Members of Congress.

I deeply regret that abortion has been inappropriately included in the NIH reauthorization bill and hope that Members will again vote against the legislation and uphold the President's veto. We can then move on worthwhile legislation to authorize important funding for the NIH and cancer-related research.

Mr. WAXMAN. Madam Speaker, I yield 1 minute to the gentleman from Oregon [Mr. WYDEN], an important member of the subcommittee.

Mr. WYDEN. Madam Speaker, I thank the gentleman for yielding this time.

Madam Speaker, when so many American families are being battered by Alzheimer's, Parkinson's, and diabetes, it is wrong to take their chance for a better life by voting to protect this veto.

The issue is not primarily one of a shortage of tissue, as our colleague, the

gentleman from California [Mr. DANNEMEYER] has said. The issue is Federal funding and the evidence shows that if the Federal Government does not fund this research, it just will not get done. The Federal ban on transplantation research has had a chilling effect on all research in this country, even that done with private dollars.

I met on Saturday in Portland with representatives of the Alzheimer's Association, the Parkinson's Society, and others. They talked passionately about the need to this veto. They made it clear to me that we have a choice. We can go with an undocumented, unproven theory, that fetal transplant research might promote abortions, or we can vote to override and support proven, documented evidence that this research can help save lives.

Vote to override.

Mr. DANNEMEYER. Madam Speaker, I yield 2 minutes to my colleague, the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Madam Speaker, I rise in strong support of the President's veto of the conference report on H.R. 2507, the National Institutes of Health Revitalization Amendments of 1992. The bill is seriously flawed in every respect and is irresponsible from a fiscal and management viewpoint.

Madam Speaker, I have four reasons for supporting the President's veto on this bill. Individually, each of these reasons is compelling; the combination of all four is overwhelming.

First and foremost, the conference report represents deficit spending at its worst. It authorizes spending of an estimated $3 billion above the President's fiscal year 1993 budget request and the House passed bill. We need to remember that when the House originally passed the bill it cost $4.3 billion; the conference report then upped the ante to $7.3 billion. Members who voted for the balanced budget amendment, as well as those who pledged to find alternative means of addressing the deficit, cannot possibly vote to override the President's veto in good conscience.

Second, the conference report includes provisions that five individuals—who are accountable to no one—unprecedented power over the HHS Secretary. The Secretary is required to appoint an ethics advisory board comprised of private citizens whenever he declines to fund research on ethical grounds. The decision of these individuals could then overrule objections by the Secretary and the President. Thus, these new boards would have unilateral authority to make important decisions concerning major research initiatives. While this provision is usually discussed in the context of fetal transplantation, it has much wider implications—a point which has tended to get lost in the emotion of this debate. This provision clearly violates the appointments clause of the Constitution. It is blatantly unconstitutional.

Third, the conference report is weighed down with a new construction program for universities authorizing spending of $100 million. This is not new money; it will have to come out of exiting research dollars—in real terms it will mean the loss of 400 research grants per year. This $100 million is in addition to the $1 billion in indirect costs for the maintenance, renovation, and replacement of university owned facilities that the Federal Government already pays.

Finally, H.R. 2507 authorizes the NIH to purchase 300 acres of land in the State of Maryland for a satellite campus. This provision is pork barrel, plain and simple. It was never the subject of hearings or any type of serious scrutiny. The administration letter correctly points out that this provision confers special benefits to a single geographic location.

I urge my colleagues to join me in voting to sustain the President's determination that this bill represents bad policy, inappropriate scientific judgment, and total fiscal irresponsibility.

Mr. WAXMAN. Madam Speaker, I yield 1 minute to the gentleman from New York [Mr. SCHEUER], a member of our subcommittee.

Mr. SCHEUER. Madam Speaker, the President's veto of the NIH Revitalization Act is a tragic abuse of his veto power. Here is a President, acting on behalf of a tiny, adamant minority, who vetoes literally life-giving legislation for ideological reasons.

The central issue of this bill is the lifting of the ban on federally funded research on fetal tissue transplants. It has been seized upon by a small number of those in the pro-life community who are not satisfied with banning the use of Federal funds to pay for abortions for poor women, for family counseling by U.S. physicians, or for providing population planning assistance to developing countries around the world.

Madam Speaker, fetal tissue transplant research should have nothing to do with the abortion debate. It has to do with saving the lives of tens of millions of people.

The fetal tissue issue touches almost everybody, because all of us know someone who could be cured by the miracle of transplanting this regenerative tissue, which is otherwise discarded, into living human beings.

I have a 24-year-old staff member who's mother is stricken with Parkinson's disease. This morning, when he heard of the veto, he told me:

> You know, my Mom has had Parkinson's for 17 years. Her one hope these last few years has been for progress in fetal tissue transplant research. But the last two Presidents have made it a political issue, holding her hostage to the abortion debate while her chances of responding to such a transplant grow dimmer and dimmer. How can the President play ideology on an issue that is not a question of right or wrong but one of life and death?

H.R. 2507 also requires that women and minorities be included in clinical research studies. History has repeatedly shown that women have been treated as second-class citizens in business, education, and social relations. Health care has proven to be no exception.

Studies of the treatment of heart disease have revealed that women are treated less aggressively than men and there is very little data available on the effectiveness of heart disease treatment on women.

Under H.R. 2507, researchers will no longer assume that women are just like men, and will begin to examine the differences in the treatment of disease that ultimately will expand the knowledge necessary to extend the lives of women in this country.

This bill would authorize $400 million for research on breast and ovarian cancers, as well as $30 million for State cancer registries. The President's budget provides absolutely no money for research on these types of cancers.

By vetoing this bill, the President is saying that women are not worth the hassle or the expense to be saved from life threatening diseases. He is telling the tens of millions of citizens suffering from the ravages of Parkinson's and Alzheimer's that they must continue suffering. He is sending a frightful message to this country, and the House must take the initiative to prevent this flawed decisionmaking to become a death warrant for millions of people of this Nation.

Madam Speaker, for the sake of everyone who could benefit from H.R. 2507, I urge my colleagues to override this veto. It's truly a pro-life vote that, whatever you may think about abortion, is a worthy one to cast.

Mr. DANNEMEYER. Madam Speaker, I yield 4 minutes to my colleague, the gentleman from Georgia [Mr. GINGRICH].

□ 1050

Mr. GINGRICH. I thank the gentleman for yielding this time to me.

Madam Speaker, I want to say categorically that there should be no discrimination against women and minorities with respect to inclusion in clinical research studies. This is certainly the Bush administration's position. Dr. Bernadine Healy, the Director of the National Institutes of Health, created the women's health initiative at NIH. This study is one of the largest and most ambitious studies of specific health problems facing women ever attempted.

However, as Dr. Healy stated in a letter section 131 of this conference report would have grave implications for this clinical study. Why? Because the conference report creates a Federal mandate for a quota system of minorities and women as subjects in clinical studies at the NIH. This legislation re-

quires that women and members of minority groups be included in all clinical research projects. The statute specifically states that the additional, and possibly prohibitive costs, of including minorities and women in a research project cannot be a permissible consideration for exclusion of these individuals from a study.

In addition, the statute specifically dictates to the highly trained scientific researcher the type of methodology and statistical analysis he or she should use in designing the study. The legislation mandates that every project is designed and carried out in a manner that provides for a valid statistical analysis of whether the variables being tested in the study affect women and members of minority groups differently than other subjects. This would have the effect of multiplying the sample size and cost for any given clinical study by a factor of at least 5 to 10, depending upon the study. I am sure that our world class biomedical scientists will be shocked to learn that Congress is now directly interfering with the design and analysis of their complicated research projects.

Take a look at how this mandate is going to affect research in the real world. Biostatisticians at the NIH were asked to look at how the quota requirement of this legislation would affect the women's health initiative.

Madam Speaker, I want to place in the RECORD the letters from Dr. Healy, Dr. Sullivan, and from Dr. Harlan and Dr. Pinn, with a set of charts to which I will refer.

[Slides not reproducible in the RECORD]

This first board shows the current study design of the women's health initiative. The dietary intervention trial in postmenopausal women has a sample case of 48,000 women. This study is determining whether a low fat diet reduces the incidence of breast and colon cancer in postmenopausal women. Women are randomly assigned to a control group or an experimental group where they receive special dietary counseling concerning fat consumption. The sample size of 48,000 assures that statistical differences between the groups can be detected. The cost of this study is $26 million per year.

Here is what biostatisticians at the Center for Disease Prevention and the Office of Research on Women's Health at NIH have determined the study would look like under the quota requirement of this legislation. To meet the minority mandate of statistically valid samples we now have five ethnic groups, each of 48,000 women. The statisticians have determined that the total sample size would have to be 240,000 for a cost of $130 million per year.

Let me repeat that—this study would cost $130 million—five times the amount of the current study. And the sample size 240,000 would make it one of the largest clinical studies of all time. And since the bill says that cost cannot be a consideration in determining the research design. NIH will be forced to accept this result. As a result, significantly fewer research studies will be funded. In fact, if this study was conducted under the requirements of this act, the annual cost of this single study would greatly exceed the total 10-year cost of the entire women's health initiative.

Let me quote from a letter from Dr. Bernadine Healy, to Secretary Sullivan, concerning the effect of this research mandate on the women's health initiative.

I strongly endorse the need for representation of women and minorities in clinical research. * * * However, the requirement embodied in H.R. 2507 would have grave implications for clinical research.

The mandatory design of all NIH clinical trials to include representative populations for each ethnic group will greatly limit our ability to conduct the large number of clinical studies on many different diseases and necessitate the conduct of only a few very large trials on a smaller number of diseases.

Finally, I would like to quote from a letter I received from Secretary Sullivan concerning this provision:

Of critical concern is section 131 of this bill, which—while well intentioned—is unacceptable and unworkable on scientific grounds * * * Such an inflexible requirement could in fact jeopardize the initiation of NIH clinical trials, including the very trials that would provide data relevant to women's health.

This one example demonstrates that this provision of the legislation, while well intentioned, is totally unrealistic in the real world. The bottom line effect of this provision is that biomedical research will be stifled—under current law five studies could be conducted for the price of one under the conference report. Mr. Speaker, this alone is reason enough to sustain the President's veto of the conference report.

The material referred to is as follows:

PUBLIC HEALTH SERVICE,
NATIONAL INSTITUTES OF HEALTH
Bethesda, MD, May 28, 1992.

Hon. LOUIS W. SULLIVAN,
Secretary of Health and Human Services, Washington, DC.

DEAR SECRETARY SULLIVAN: I am writing to alert you to the impact on clinical research that would occur if the Clinical Research Equity Act contained in Title 1, Subtitle B of H.R. 2507, the National Institutes of Health (NIH) Revitalization Amendments of 1992 was enacted.

As you know, I strongly endorse the need for representation of women and minorities in clinical research. I believe that the NIH is making great strides to insure their appropriate inclusion. However, the requirement embodied in H.R. 2507 would have grave implications for clinical research. It specifies that, "the NIH Director shall ensure that the project is designed and carried out in a manner sufficient to provide a valid analysis of whether the variables being tested in the research affect women or minorities differently than other research subjects." This would have the effect of multiplying the sample size for any given group by a factor of at least 5 to 10, depending upon the study. A clinical study comprising both men and women would need an approximate tenfold increase in size to test for differential affects by gender and ethnicity.

This requirement would affect the design of all clinical studies despite the fact that no important differences in effect across race/ethnic groups are expected for most clinical questions. Where differences would have been expected, the study design including sample size would be altered to provide for reliable group analysis. Paradoxically, the excessive costs this Act demands could hamper planned investigations of racial/ethnic differences that have already been identified.

For example, the Dietary Intervention Trial of the Women's Health Initiative already requires the inclusion of 48,000 women at a cost of $26 million a year for fourteen years. This study is intended to determine if a reduction in dietary fat will have an impact on the incidence of breast and colon cancer in post-menopausal women. If it were necessary to answer the questions of the Dietary Intervention Trial in 5 ethnic groups, the number of women required would be 5 × 48,000 or 240,000, and the cost would be approximately $130 million per year for fourteen years. If conducted under the requirements of this Act, the annual cost of this single study would greatly exceed the annual cost of the entire Women's Health Initiative and all of its attendant trials.

In planning clinical trials, NIH investigators strive to answer health questions which affect the entire population irrespective of ethnicity. The structure of a clinical trail allows us to generalize the results of the trial to other people with characteristics similar to those who entered the trial. When it is suspected that there may be differences among ethnic groups, NIH scientists will continue to conduct trials to determine those differences. However, the mandatory design of all NIH clinical trials to include representative populations for each ethnic group will greatly limit our ability to conduct the larger number of clinical studies on many different diseases and necessitate the conduct of a only a few very large trials on a smaller number of diseases.

This information must be seriously considered do to the fact that it would greatly hamper our ability to conduct clinical research.

Sincerely yours,

BERNADINA HEALY, M.D.

THE SECRETARY OF HEALTH
AND HUMAN SERVICES,
Washington, DC, May 20, 1992.

Hon. NEWT GINGRICH,
House of Representatives,
Washington, DC.

DEAR NEWT: This is in further response to our mutual concern about the peer review provisions contained in the conference agreement on H.R. 2507, the NIH Reauthorization Act of 1991.

Of critical concern is Section 133 of this bill, which—while well intentioned—is unacceptable and unworkable on scientific grounds. This section would require that a large percentage of the clinical trials conducted or supported by the NIH assess gender and racial differences in treatments under elevation even in the absence of a scientific reason to suspect that such differences exist. Such an inflexible requirement could in fact jeopardize the initiation of NIH clinical trials, including the very trials that would

provide valuable data relevant to women's health.

As you know, the conference agreement on H.R. 2507 contains a number of other unacceptable provisions previously addressed by the Administration. These provisions are discussed more fully in the attached Statement of Administration Policy.

Sincerely,

LOUIS W. SULLIVAN, M.D.

PUBLIC HEALTH SERVICE,
NATIONAL INSTITUTES OF HEALTH,
Bethesda, MD, May 27, 1992.

To: Bernadine Healy, M.D., Director, NIH.
From: Associate Director for Disease Prevention.
Subject: NIH Reauthorization Legislation

The purpose of this memorandum is to alert you to the potential impact on clinical research of proposed Clinical Research Equity (Title 1, Subtitle B) of the NIH Reauthorization Legislation.

Women and minorities should be included in clinical research studies and attention should be directed to insuring their inclusion and we all endorse the need for their representation. However, the following requirement has grave implications for clinical research. It specifies that, "the NIH Director shall ensure that the project is designed and carried out in a manner sufficient to provide a valid analysis of whether the variables being tested in the research affect women or minorities differently than other research subjects." As specified, this would have the effect of multiplying the required sample sizes for clinical trials and epidemiological studies. The sample sizes for observational and interventional studies are based on providing adequate power to reliably detect estimated differences in effect. If the differences must be detected for each group the total sample needed would be multiplied by factors of 5 or 10. Assuming 5 minority groups, a single gender study such as the Women's Health Initiative would need 5 times the current estimated size of 50,000 women to reliably detect differential responses of each race/ethnic group. A clinical study comprising both men and women would need approximately tenfold increase in size to test for differential effects by gender and ethnicity.

This requirement would affect the design of all clinical studies despite the fact that no important differences in effect across race/ethnic groups are expected for most clinical questions. Where differences would have been expected, the study design including sample size has been altered to provide for reliable group analysis.

This provision would have a stultifying effect on clinical research and paradoxically could hamper planned investigation of racial/ethnic differences that have been identified. As the sample size increases severalfold, issues of feasibility, availability of all groups within a particular geographic region and cost are similarly multiplied. Researchers in some geographic areas may not have adequate numbers of certain minority groups available. Several studies are under way or being planned to explore differences in disease risk or treatment response in a particular racial/ethnic group (e.g. hypertension in African Americans). Would these studies be required to increase the sample size so as to include other groups? This could actually impede scientific investigation of important differences.

In summary, the provision would profoundly and adversely affect the conduct of clinical research, however well intentioned it may be.

WILLIAM R. HARLAN, M.D.,
Associate Director for Disease Prevention.
VIVIAN W. PINN, M.D.,
Director, Office of Research on Women's Health.

Mr. WAXMAN. Madam Speaker, I yield 1 minute to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Madam Speaker, I thank the gentleman for yielding this time to me.

Madam Speaker, I must say I am very angry about the prior presentation and the fact that the gentleman would not yield to any of the Congresswomen on the floor, because that is the heart of what this issue is about. This issue is about the fact they have always told us it was cheaper to keep women out of research because we were more chemically complex.

Yes, it may cost more to put women in this bill, but let me tell you what it would cost if you do not put women in this bill. We know, we know there have been absolutely no heart disease studies on women, and we know on and on and on and on, and the whole reason that the director has this study and is pushing for this study is to make up for the years of leaving women out of these studies.

Now, if the gentleman from Georgia [Mr. GINGRICH] wants to stand up and call this a quota bill, listen, he sees quotas in the clouds. I want to tell you that women are paying their quota of this research. They have been paying equally into this research, and they have been left out of it because we have been told we are more complex.

Listen, we are not only more complex, we are more politically sophisticated. This is finally putting us in, and we are getting tired of being left out and we are tired of seeing deaths and people's lives being played with.

I must say please vote to override, not because I say so but because we have 35 groups saying so and many, many biological researchers saying so.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mrs. MINK). The Chair would advise our guests in the gallery that they are not permitted to express an opinion either way on the material and matters being discussed on the floor.

Mr. DANNEMEYER. Madam Speaker, I yield 2 minutes to my colleague, the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Madam Speaker, as a father of three daughters out of our five offspring and four granddaughters out of eight grandchildren, I would like to associate myself with our Republican whip's remarks and change the focus back to abortion, if I could.

My coach on this issue is my wife. She is watching the debate. She has just sent a little message from the Cloakroom, and I would like to tell you what my wife asked me to point out.

The last issue of Life magazine 1 or 2 months ago that handled this whole abortion issue has doctors or their assistants running down the hall with a note pad, asking a woman who is about to go in for a late abortion to sign the release so that they can get at her baby before it is completely dead and strip away all the various body parts.

As my wife says, if they want the skin for burn research because it is human skin, how is it that it is not human life that we are talking about here with the human skin?

I remember vividly a team of doctors from the United States went over to Chernobyl to try to rescue these heroic Soviet firemen, went right into the radioactive cauldron itself, the helicopter pilots dumping sand on the radioactive exploding reactor. They wanted bone marrow to put injections right into the spines and their bone marrow trying to save them. There were six severely injured firemen and helicopter crews. The American doctors were saying, "Get us more late-term abortions, more abortions, we need more material to work with." They saved nobody.

A major university in New York City and another one in Los Angeles have been dealing with this type of research for years, getting the latest abortions they possibly can. They do not want a little zyglot, they do not want a 12-week-old baby, they want well-developed fetuses. The more liver tissue, the more brain tissue, the more bone marrow the better. And they saved no one to date.

In Sweden, taking brain matter right out of the baby's head in the womb directly into some patient to extend life, pathetic, pathetic.

Vote to sustain the President's veto, vote for life.

Mr. WAXMAN. Madam Speaker, I am pleased to yield 2 minutes to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Madam Speaker, I thank the gentleman for yielding this time to me.

Madam Speaker, I am shocked at the antiwomen remarks of the Republican whip, and I associate myself with the remarks of my colleague, the gentlewoman from Colorado [Mrs. SCHROEDER].

Let me tell you, if we are for family values in this Chamber, we need to override this veto. Rightwing ideology blinded this President to compassion and common sense, and we must now muster a supermajority to fight the far right.

It is not compassion to find a cure for Parkinson's and diabetes and Alzheimer's? Is it not common sense to proceed with science as long as we know we can protect against encourag-

ing abortion? Yes, it is common sense and compassion to allow for fetal tissue research.

It is cruel, it is cruel to stop it.

□ 1100

Madam Speaker, let me read part of a letter from a woman whose father is suffering from Parkinson's, and I would ask my colleague, the gentleman from California, to listen to her words.

BETHESDA, MD, *June 15, 1992.*

Hon. BARBARA BOXER,

House of Representatives, Washington, DC.

DEAR BARBARA: This letter is about my father and his heroic battle with Parkinson's disease, which he may well lose.

My father was first diagnosed as having Parkinson's disease 15 years ago. At first the medication he took was effective to control most of the symptoms, so that life was not very different from the way it used to be. My father was active in his law practice, taught Intellectual Property law as an Adjunct Professor of Law at Brooklyn Law School, and enjoyed playing tennis, especially singles several hours a week. We would often play together and he would invariably beat my brothers and myself with sheer persistence and it was real fun. Throughout these early years life was pretty normal and Parkinson's was hardly the subject of conversation.

Then this ravaging disease began to take its toll, slowly but surely. At first my father began manifesting difficulties in running and this extended to walking as well. For no reason at all he would suddenly fall, usually on his knees, in order to protect his body and when this occurred on the tennis court or elsewhere, he would immediately get up and continue whatever activity he was involved in as if nothing had happened. He would keep falling, get up and ignore the difficulty.

Then he began to have involuntary movements (not tremors) of the arms, legs and neck called dyskenesia. At first they were slight and infrequent, but have now become much more severe and nearly continuous to the point where it causes enormous discomfort. He cannot sit through a movie, a play, a concert or the opera, which he loves, without endless perspiration, so that at the end of the performance he is totally drenched through and through with perspiration. None of these problems, however, led him to discontinue his professional activities. He continues to drive to his office five days a week, 9:00 to 5:00, although his output has been considerably reduced. As his legs kept giving way, the knee caps were taking the brunt of the impact and this led my father to use knee pads to protect his knees. He lives in constant fear of being seriously injured as a result of a fall as happened to Morris Udall. His speech, which is an important part of his life, being a lawyer and being a person who lives to engage in discussions with his friends and his family, began to become affected. As time went by the situation became more aggravated. His walking became a real problem before he took his first dosage of medication and the pain of the trauma began to show in his eyes and face. Whenever I look at photographs taken over the years, I can see the gradual increase of pain in his face and his eyes. But he never complained. Not once have I heard him complain.

These days it is often difficult to understand him when he speaks because of the low energy level, the stuttering and stammering which I know affect him very deeply. He was a man who always had a deep, resonant, articulate voice. He was a terrific public speaker as demonstrated when he served on the Board of Education. As a result of his speech problems he withdraws from participation more often than not. It is painful for me and my family to witness this deterioration.

Because of his tendency to fall without warning, it is not possible for him to lift, hug and hold Sam, and his other grandchildren and this is what pains him the most. Reluctantly, he bought a cane to assist him in walking and his grandchildren now recognize his presence when they see the cane. He is the grandpa with the cane. His deterioration seems to be increasing more rapidly as time goes by.

There is one area, however, which has given him hope and that is the recent success shown by fetal tissue transplant into the brain. We discussed this surgery ever since it was first disclosed back in 1988 and whenever we did my father's face would change and his eyes would light up since for the first time there seemed to be a possibility of seriously reducing or eliminating the devastating effects of the disease. But this was not to be. President Reagan overruled his own Commission's recommendation and instituted a ban on use of fetal tissue for research. This was a terrible blow for all of us. For four years the research has been virtually halted depriving my father and millions like him of a chance for a more meaningful life. It was felt, however, when Bush was elected in 1989, that he would take a more compassionate view of the situation and reverse the ban. This, too, was not to happen under pressure of the right-to-life movement.

I don't understand how a minority in this country can rule and play God with the lives of millions of sufferers of Parkinson's, Alzheimers, diabetes and other diseases with the blessing of the President of the United States. The argument offered by the proponents of the ban is that lifting the ban would encourage abortions. This is an insult to the women of the country. There is absolutely no evidence to support this argument. What is plain is that so long as abortion is legal, as many as half a million fetuses a year are discarded into the garbage, instead of being used to save a life or improve the quality of life. The ban is clearly an anti-life measure and Bush's actions are incomprehensible, especially in light of the reversal of so many prior proponents of the ban, such as Otis Bowen and Senator Strom Thurmond, whose daughter has diabetes and who can be helped by the fetal research.

The most recent effort to remove the ban on use of fetal tissue for research has been most encouraging, especially in the Senate where it passed by an overwhelming majority and where it can override Bush's expected veto. The bigger problem is in the House, and there the original vote on lifting the ban was somewhat short of the necessary ⅔. Reversing the ban represents the only glimmer of hope for my father and others like him.

I want to express my appreciation to you for the strong and unwavering support you have given to this effort to enable fetal research to proceed.

I also plead with you to exert whatever influence you may have on those Representatives who voted to support the ban, so that the veto may be overridden in the House as well and provide an additional point of light in all our lives.

Sincerely yours,

CLAIRE LITTMAN.

Madam Speaker, these words are moving, and these words are correct. Where are our family values when we turn away from the real enemies that face our families, the diseases that take away our loved ones one painful day at a time?

Please, please, override this veto in the name of family values, compassion and common sense.

Mr. WAXMAN. Madam Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Madam Speaker, I rise in full support of the override of this veto to lay to rest once and for all that this position taken by most people in this country is not the real pro-life issue, and I urge support for the override.

Mr. WAXMAN. Madam Speaker, I yield 1 minute to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Madam Speaker, President Bush and opponents of this bill refuse to understand the choice this measure represents. How sad that they would characterize it as a referendum on abortion. It is not. Rather, this legislation would end a misguided and tragic policy that blocks vital research into cures for diabetes, Parkinson's and Alzheimer's disease.

The bill forthrightly addresses transplantation issues and the implications for abortion. It specifically prevents the possibility of encouraging abortions. The decision to donate fetal tissue must be separate from the decision to abort. Fetal tissue may not be directed to a specific donor, nor may it be sold or purchased.

I find it sad and depressing that opponents of this bill choose to ignore responsible voices in the pro-life community who support fetal tissue research including President Reagan's Secretary of HHS, Dr. Otis Bowen, who know that this bill is neither pro-choice nor pro-life—it is pro-science. Rather, opponents blindly oppose research that gives hope to millions of Americans with potentially curable diseases.

Madam Speaker, abortion is legal in this country. By this veto the President will not stop women from having abortions. But he will prevent researchers from finding cures for deadly diseases. I urge the Members to override this ignorant, misguided veto.

Mr. WAXMAN. Madam Speaker, I yield 1 minute to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Madam Speaker, I thank the gentleman from California [Mr. WAXMAN] for yielding this time to me.

Madam Speaker, many of our colleagues will address the important initiatives that are contained in this legislation, important initiatives for biomedical research. I just want to address my remarks to some of our colleagues who may be undecided on this issue. I say to them that we make hundreds of votes each year. None of them

possesses the power that this vote gives us today, the power to make a drastic difference in the lives of the American people in caring for their loved ones and finding cures for some of their illnesses. I say to our colleagues who are thinking about this legislation to pay attention to the professional judgment recommendations of the scientific and medical community, many of whom wrote to President Bush saying, as biomedical researchers, they can attest to the dearth of reliable information regarding women's health issues, and they urge us to redress this historical oversight referred to by the gentlewoman from Colorado [Mrs. SCHROEDER] earlier.

I say to my colleagues who may be in doubt on this legislation, "Think of what power you hold in your hand. Give the benefit of the doubt to the American people whose loved ones are suffering and who look to us for hope. How can you be so sure that you are right when the scientific and medical communities disagree with you?"

I say to my colleagues, "Think about it."

Madam Speaker, I rise in strong support of the motion to enact the National Institutes of Health [NIH] revitalization amendments over the President's objections.

The narrow issue before the House is whether to lift the current administration-imposed prohibition against fetal tissue transplantation research. New advances in research involving the transplantation of healthy fetal tissue hold promise for the treatment and cure of many diseases such as Alzheimer's disease, Parkinson's disease, diabetes, and even AIDS.

Today's vote is about hope. We have the opportunity to save or significantly improve quality of life for millions of Americans who would benefit from this research. We have the opportunity to give hope to the families and loved ones of those suffering with these tragic diseases.

Unfortunately, President Bush has made a political commitment to a group of antiabortion extremists to support them even when they are clearly wrong. We cannot let extremism win this debate. Too many lives depend on the outcome of this vote. I strongly urge my colleagues to vote for hope—vote to override the President's veto.

Mr. DANNEMEYER. Madam Speaker, I yield 30 seconds to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Madam Speaker, this is important, to get this in the RECORD, because of the last three speakers, two on that side and one on this. There was a letter from Linda Gorash, assistant professor, child psychiatry and pediatrics, University of Pittsburgh, in response to the article of the gentleman from California [Mr. WAXMAN] last month, "Research that could save lives."

The article entitled "The Failure of Fetal Transplants" is as follows:

First, no evidence of a reduction of Parkinson Disease symptoms due to implanted fetal cells has been demonstrated from animal model work or from patients undergoing this drastic procedure. A review published in the Journal of Neurology concludes "There is simply no evidence to prove that either clinical or experimental Parkinsonism in primates is specifically cured by transplantation of tissue into the brain. * * * The irreversible tragedy is the death and damage to many patients and their families produced by the extravagance of the transplantation fad."

Second, contrary to Rep. Waxman's claims, the living tissue is taken from a living fetus. The 1989 Archives of Neurology published the most detailed description of this procedure, outlining that an unborn baby's brain must be selectively sucked out by a tube inserted in the mother's womb to ensure that the living fetal brain cells are harvested in fresh transplantable condition. This process kills the fetus, who is then aborted.

Human fetal brain tissue transplantation fails to meet minimum standards of either effectiveness or ethical medical practice.

Mr. WAXMAN. Madam Speaker, I yield myself 30 seconds simply to reply to the fact that this research does not work yet because the research has been stopped. But among those who want this research and want this bill to pass are the Parkinson's Action Network, the Parkinson's Disease Foundation, and the Parkinson's Support Groups of America. They do not want this research stopped because of some theoretical argument that more women are going to get abortions in order to have fetal tissue research.

Madam Speaker, that is nonsense. Everyone knows it is nonsense. Let us get the research going so we can see if it will work.

Mr. DANNEMEYER. Madam Speaker, I yield myself 30 seconds at this point to respond to my colleague, the gentleman from California [Mr. WAXMAN]. I am quoting now from Olle Lindvall who wrote last year:

Although animal experimental data are very promising and clinical trials have given encouraging results, it must be underscored that there exists at present no treatment for Parkinson's disease based on intracerebral transplantation.

It is important that patients and relatives are informed that this research is still at the experimental stage, and that widespread clinical trials with transplantation in Parkinson's disease are not warranted at this time.

Mr. WAXMAN. Madam Speaker, I yield 1 minute to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Madam Speaker, this veto message is unbelievable and is proof of how out of touch with the American people is the White House. The message says:

H.R. 2507 is not necessary to increase support for research targeted at women's health needs * * * and also contains fiscally irresponsible authorization levels.

This from a President who submitted to the Congress a proposed budget that is $400 billion out of whack.

The President says, "* * * this legislation would be counterproductive to the attainment of our Nation's health research objectives."

Gobbledygook.

This President who promised to be kinder and gentler would condemn the American people to be prisoners of rightwing religious zealots fixated on women's reproductive organs.

Let this House indeed support saving human life. Let us override this outrageous veto.

Mr. DANNEMEYER. Madam Speaker, I yield 3 minutes to the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Madam Speaker, I am not a rightwing religious zealot, but I do rise in support of the President's veto of this measure and against the move to override the veto.

On May 28, when the bill was debated, it was clear the President would veto it in its present form, and, if I may borrow the language of medicine, the bill that passed the House was flawed in its diagnosis and its prescription. President Bush has given a second opinion, and I am inclined to abide by his view as the better one.

The various flaws in the bill in its current form are substantive, budgetary, and constitutional, and it left the President no choice but to exercise his constitutional power to veto. Among the flaws is a spending level of an estimated $3 billion above the President's fiscal 1993 budget request and $1 billion above the original amount approved by the House. Now this is at a time when a lot of people around here are trying to parade under the guise of, "Let's hold spending down, keep it in check." So much for consistency.

Madam Speaker, also included in the bill is an authorization of $100 million for what are basically pork-barrel construction projects for various universities. This morning's Washington Post carried a story of a little-known college in the Allegheny foothills which was recently selected for $41 million in Federal research projects, a windfall almost three times its $14 million annual budget.

□ 1110

That comes under a different bill, but it is the same kind of thing that is happening also in this particular measure. And I know, because I once served as the ranking member on the Appropriations Subcommittee that funds these activities.

This special interest money will come out of existing research dollars, resulting in the loss of 400 research grants per year.

Another shortcoming of the bill is the requirement for an ethics advisory board that can overrule objections by the Secretary of Health and Human Services and the President. And this is clearly, on its face, constitutionally flawed.

And, of course, there is disagreement about fundamental questions of bioethical concern.

Madam Speaker, we are all supporters of the National Institutes of Health, but support for NIH, in a general sense, is not enough. NIH, as a tax-dollar-supported institution, is not outside and does not transcend the ordinary but often vital policy questions we in government must ask.

I believe that under the current leadership of Dr. Healy, NIH has the potential of entering the 21st century on a basis of sound policy, supported by responsible Government guidelines. But we in the Congress must first be willing to address the questions the President has raised in his veto message, and that is why I would urge my colleagues to support the President's veto and then let us do what is right for NIH.

Mr. WAXMAN. Madam Speaker, I yield 2 minutes and 30 seconds to the distinguished gentleman from Massachusetts [Mr. EARLY], a member of the Committee on Appropriations that deals with the HHS budget.

Mr. EARLY. Madam Speaker, I rise on two specific points about why we should override the President's veto.

First of all, the President says that he is vetoing it on ethical grounds. He suggests that we can use fetal tissue from ectopic pregnancies or miscarriages for this research. The courts decide; the courts decide whether abortion is legal or not.

I stand here as one who is opposed to abortion. If it costs me an election, so be it.

I want to talk to this House about gene therapy. The committee heard testimony that gene therapy has been performed; it is not solely research. Within the last 6 months there has been a successful gene transfer. Also, in cystic fibrosis, again with gene therapy, by the end of this year, I hope that NIH will have a gene therapy treatment for cystic fibrosis. Although it does not involve fetal tissue transplantation, the point is the principle of gene transfer. However, fetal tissue research is necessary for other research and for other potential therapies.

In this particular bill, with regard to juvenile diabetes, with fetal tissue transplantation we may save the eyesight of young people. With regard to Alzheimer's, we may extend compassionately the life of senior citizens. With regard to Parkinson's, with fetal tissue transfer we can save lives.

With regard to the second point of this veto, and why it should be overridden, I hear Republican after Republican saying that it is too much money. The President said $3.2 billion. Last week this House voted $38.4 billion for research, development, and testing of new weapons. My gosh, do we know how much we spend at NIH?

Last year we spent $8.9 billion. The cold war is over. We have to make some adjustments, some changes.

Not one Republican voted to take down the firewalls that would let us transfer from defense to domestic programs; $8.9 billion, the Republicans say it is too much for NIH. Yet we spent $38.4 billion for defense RDT&E. We spend $36 billion for intelligence gathering by the CIA annually, and we say it is not enough money.

I plead with this House, the American people want us to do some things differently. They want some performance. Too much of what we do is partisan. Democrats versus Republicans. It is wrong.

This particular bill is progressive. It is good. I am opposed to abortion as vehemently as any Member in this House. I think it is the taking of human life. But this bill is imaginative and constructive.

We should override this veto, demonstrating the independence of the Congress and restore the quality and the prestige of the Congress.

Mr. DANNEMEYER. Madam Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Madam Speaker, abortion proponents have been disingenuous from the beginning of this debate, and they are disingenuous now. In an attempt to sway pro-life votes and allow the taxpayers' dollars to support research on fetal tissue from induced abortion, they made several arguments. For example: "There are safeguards in this bill." Well, it is debatable as to whether the so-called safeguards would have served their intended purpose in the first place, but for those among my colleagues who believed this—look again. They are gone. These safeguards, meager as they were in the House-passed bill, were weakened in the conference report. Women will no longer sign a statement that their decision to abort is unrelated to their decision to donate fetal tissue. Another example: "Untold numbers of people wit diseases such as Parkinson's will benefit from this research." this statement amounts to a cruel hoax for those who are suffering from this debilitating disease. According to a premier researcher in this subject area, Olle Lindvall, one of the pioneers of fetal tissue transplantation research,

> [T]his research is still at the experimental stage, and widespread clinical trials with transplantation in Parkinson's disease are not warranted at this time.

We should not be raising false hope in those who are desperate for a cure in order to promote abortion—particularly when the research already permitted by NIH—that is, tissue from ectopic pregnancies and spontaneous abortions—more than fills the research needs in this country.

What is this hoax about—solidifying abortion on demand in this country, and nothing more. Vote "no" on the veto override.

Mr. WAXMAN. Madam Speaker, I yield 1 minute to the gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. Madam Speaker, I rise today in strong support of the veto override of the NIH reauthorization bill. We need this investment and commitment to prevent death and disability for millions of Americans.

This commitment includes making fetal tissue available to researchers to treat and cure debilitating diseases like diabetes, Parkinson's and Alzheimer's. The bill contains ethical safeguards to prevent any potential abuses of the use of this tissue, requires written informed consent from women donating the tissue, and prohibits its sale or purchase.

H.R. 2507 also contains the seed money to provide hope, improved treatments, and, ultimately, a cure, for those stricken with diseases such as breast and prostate cancer, osteoporosis, and multiple sclerosis. Scientific breakthroughs to these diseases don't occur magically overnight. They begin here at the funding stages, on this floor, today, with this bill.

Before I conclude, I would like to acknowledge the contributions made by Dr. Bernadine Healy to improve the health care of women. Many people have been vocal in their opposition to Dr. Healy. She has been an advocate and a real leader in implementing fundamental changes at the NIH, including those advocated by the congressional caucus for women's issues, such as the establishment of the Office of Research for Women's Health and the women's health initiative to fill in the lacking research gaps for midlife and older women. With Dr. Healy at the helm, women's health research at the NIH has finally been brought out of the Dark Ages. We will all be the benefactors.

I urge my colleagues to support these efforts and the override of the administration's veto today.

Mr. WAXMAN. Madam Speaker, I yield 1 minute to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Madam Speaker, this country does not need more money for B-2 bombers, star wars and the military. But it does need significantly more funding for research into long neglected women's health needs into the epidemic of breast cancer, ovarian cancer and research into all kinds of cancer, that killer disease which is afflicting 1 out of 3 Americans. And that is what this legislation is all about.

Madam Speaker, in my State of Vermont the citizens of our State, led mostly by women, are demanding that the Federal Government play a greater role in the prevention and treatment of cancer. In this legislation, vetoed by the President, is the 1992 Cancer Registry's Amendment Act, a nationwide system of uniform statewide registrys which will enable each State to collect uniform data on those afflicted with cancer, including age, residence, occupation, stage of disease and treatment.

□ 1120

This bill was hailed by Dr. Healy of Sloan-Kettering Memorial Cancer Center as the major cancer weapon our Nation needs most. Madam Speaker, let us pass this legislation and give hope to Americans in fighting disease.

Mr. WAXMAN. Madam Speaker, I yield 1 minute to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Madam Speaker, once again, my colleagues and I stand here on the floor of the House to debate a bill, the merits of which have already been roundly hailed. I am appalled that the President would condemn such a vital piece of legislation—a bill that funds all of the facilities and research programs of the Institutes of Health—on the basis of one issue alone.

Not only has publicly funded research been placed in jeopardy due to a single concern of the President, but the issue in question—whether research on the transplantation of fetal tissue should be funded by the Government—has been dismissed by the scientific community.

The shred of logic that somehow we will promote abortions by permitting the use of fetal tissue in experimental treatment of life-threatening conditions has been overwhelmingly rejected by both Houses of Congress and researchers alike. The bill contains strong safeguards against abuse—safeguards that do not currently exist in the private sector where research is ongoing. Once and for all: the NIH bill is not about abortion.

Madam Speaker, this is an important day for research, but it is especially important for women's health research. Women have historically been left out of clinical trials, such as the effects of aspirin on heart disease, the leading cause of death in the country. In other instances, women have been treated without any regard for the overall effect on their health—such as estrogen treatment for menopause without study of the effects of estrogen on cardiovascular and cancer risks. There has never been a focused clinical effort at NIH to examine gynocological conditions. This bill addresses these and many other critical women's health needs.

Like many of my colleagues, I was disappointed and angered to read Dr. Bernadine Healy's letter urging a veto because "the section on women's health is unnecessary." It is an affront to see these indispensable provisions used as a scapegoat in the absence of any valid cause for a veto. Apparently, Dr. Healy thinks that, for example, making the Office of Women's Health Research permanent is unnecessary; she must think that requiring the inclusion of women in clinical trials is unnecessary. Her veto recommendation is particularly outrageous, given the recent favorable press she has received for her leadership on women's health.

Madam Speaker, this is yet another sad example of governance by veto. I urge my colleagues to override this veto and support women's health and crucial research programs.

Mr. WAXMAN. Madam Speaker, I yield 2 minutes to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Madam Speaker, I rise in support of overriding the President's veto. I want to say first off that it is about time that we have adequate research dollars for female-dominated diseases. Breast cancer is afflicting 1 out of 9 women. It is an epidemic in this country, and we have gotten peanuts for research. As a matter of fact, I want to tell the gentleman from Georgia, who complained that we are mandating that women and minorities be included in clinical trials, that prior to this bill they have only been included in 13 percent of all the clinical trials. Even when they did research on breast cancer, they had a man, men that they were examining for breast cancer, and only less than one-tenth of 1 percent of men get breast cancer. That is how outrageous it is with respect to research.

We want to find a cure for breast cancer that devastates the American family. We want to find early detection for ovarian cancer.

I want the Members to ask their daughters, and how would the Members like it if their daughters find out they have the symptoms for ovarian cancer, and frankly, when a person finds those symptoms, they have a very high risk of death because there is no early screening for ovarian cancer. Why? Because there has been very little research done in that area. If we give our wonderful scientists the $75 million to find that early detection, then I think we will find a chance to save the life, yes, the life of that individual.

What about osteoporosis, which afflicts older women especially? It has devastated, and we have not found a cure for that at all. The list goes on to prostate cancer, which is an epidemic for men.

I want to say something about the fetal tissue issue. I am convinced, and I happen to stand here thinking and believing that 1.7 million abortions are far too many in this country, and we ought to start with education and to deal with that issue, but this is not the bill that deals with that issue, and we know that. I think there are ethical standards that have been screened out with the committee, and I urge them to work with the administration on this issue.

Let us support the overriding of the President's veto. It is the pro-life thing to do.

Mr. DANNEMEYER. Madam Speaker, I yield 2 minutes to my colleague, the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Madam Speaker, I rise in strong support of the President's veto of the conference report to H.R. 2507—the National Institutes of Health revitalization amendments.

This Nation is facing a budget deficit of approximately $360 billion this year. And here we are being asked to pass a massive bill that will add substantially to this country's debt.

Madam Speaker, when this bill originally passed the House, the total authorization was $238 million above the President's budget. It now is a staggering $3.1 billion above the President's budget. Let me repeat that—a whopping $3.1 billion over the President's budget. We simply cannot allow this to continue.

The bill specifically authorizes appropriations that are $1.2 billion above the President's fiscal year 1993 budget. The total reaches $3.1 billion when the HHS estimate of $1.9 billion to purchase 300 acres of land for an NIH satellite campus and to renovate facilities is included.

Madam Speaker, passing this bill would add $3 billion to the budget deficit and says to the American people that Congress is not at all serious about balancing the budget. I challenge my colleagues to show the American people that we can be responsible and do our jobs without a constitutional amendment.

When we were debating the passage of this conference report, arguments were made that the authorization levels in this bill are irrelevant, because the Appropriations Committee sets the ultimate funding levels for all programs. Although it is a truism, that under our system, the appropriators have the final word on expenditures, it is the authorizing committees that draw the map which guides the Appropriations Committee on how moneys should be spent. Therefore, this conference report provides the guidance on the limits and direction of future funding at NIH. To say that this legislation is irrelevant because the appropriators have the final word, would, if taken literally, mean that all authorizing legislation is irrelevant. Madam Speaker, that is the type of thinking that has contributed to the budget mess that we are currently in.

I urge my colleagues to support the President's veto.

Mr. WAXMAN. Madam Speaker, I yield 3½ minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Madam Speaker, a few weeks ago after we approved the NIH bill we were a few votes shy of override strength. As I was walking back to my office, I was pretty discouraged and disappointed. Then, I ran into Rev. Guy Walden.

As many of you know, Guy is a pro-life Baptist minister, and though he vehemently opposes abortion, personal experience led him to be a strong supporter of fetal tissue research. After losing two children to a rare genetic

defect known as Hurler's syndrome, testing revealed that this same birth defect threatened to rob him and his pregnant wife of yet another child.

The Walden's knew it would take a miracle to save their child from deformity and an early, certain death—and with a fetal tissue transplant they found that miracle.

When I spoke to Reverend Walden after that vote, he urged me to look—not at how many votes we were short—but rather at how far we have come. We were able to get many Members to move beyond the rhetoric, and study the facts and substance and hope of this research. Based on the facts, we were able to convince many Members that it is critical to lift the ban.

We have come a long way.

The former Secretary of HHS under President Ronald Reagan, Dr. Otis Bowen, joined our efforts in actively urging the administration to overturn the ban. Recently, a bipartisan group consisting of three former heads of NIH issued a plea to the President to heed the recommendations of the 1988 Reagan pro-life panel that said that this research should go forward.

In fact, we have made progress with the administration. In agreeing to establish a fetal tissue bank, they have at least recognized the value of this research.

But, as the former heads of the NIH said in their letter to the President, that is not enough.

Madam Speaker, a few years ago, a number of people and organizations were alarmed and opposed the prospect of using in vitro fertilization to create a new life. But, for many Americans—like my own brother and sister-in-law—this research did not result in some scary, shady scene out of a grade B movie. Instead, it resulted in a loving, healthy baby girl. New hope, new life.

All of us have known someone who has been impacted by cancer, a paralyzing spinal cord injury, diabetes, Alzheimer's, Parkinson's, or Lou Gehrig's disease. Let's not wait another year for the cure. Let's, instead, truly race for the cure.

Has it already been too long for us to have forgotten the ravages of polio that used this same research for a cure?

By establishing a fetal-tissue bank using tissue only from spontaneous abortions and miscarriages, the administration chose to take a course contrary to the wishes of nearly every major disease and public health group in America. They chose to take a course contrary to many of our Nation's leading researchers in this area. If we fail in our override attempt, the burden of proof will be on this administration.

I disagree with the administration on this issue. But, I hope for the sake of millions of Americans struck by the devastating diseases for which this research holds hope, that the administration is not just paying lip-service to our Nation's researchers. I hope that our researchers will truly be provided with the means to achieve a goal that I know every Member of this institution supports: an end to so many people's suffering and early deaths—a chance for hope, a chance for life.

At some point elected officials and political people must admit that though we are political animals, politics should not dictate or deter the progress of important scientific research. Of couse it's necessary to carefully weigh this progress with legitimate, ethical concerns. But, what is not necessary—and is in fact dangerous—is to hamstring our Nation's researchers because of unfounded fears and political games.

I urge my colleagues to vote to override the President's veto on the NIH bill.

□ 1130

Mr. DANNEMEYER. Madam Speaker, I yield 2 minutes to my colleague, the gentleman from Louisiana [Mr. HOLLOWAY].

Mr. HOLLOWAY. Madam Speaker, I rise today to stand with the President and say we must stand against things that are wrong and evil in this country. And I stand as strongly as anyone could ever stand in support of the unborn of this country.

I want to say a word or two about what I have heard, that we are missing the money for experimentation on cancer and the other items. Let us take the $300 million that we are going to buy 300 acres of land with, and let us instead put that in experimentation. It is ridiculous to stand up here and try to argue to the American people that we are going to lift our standards in Congress, but yet we are willing to compromise and take $300 million of money that could be spent for research and use it to buy 300 acres of land in Maryland.

Let us get ahold of things. Let us get ahold of the budget of this country. Let us put it in perspective. Let us spend our dollars where they count the most, and buying 300 acres of land at $1 million an acre is not spending money wisely.

But I also stand strongly in support of the unborn. To tell me that we have a living being in a mother's womb and we are going to go in with needles and take tissue from that unborn child to use for research, or to try to find a fountain of youth, is wrong. We have the tissue, and I have a letter from C. Everett Koop that says that he stands with the President. I think he is a very respected former Surgeon General.

I just have to say that it is time in this country that we realize the morals of our Nation are at stake and where we go as a country is at stake. And I think it is very important that we realize that the unborn are living beings, and somewhere we declare them to be living beings to where we can protect them as much as we would to give consent to give one of our own organs for research.

It makes me sick just to hear the arguments over and over to where we try to put the blame here and put the blame there. It is time we realize the importance of the dollars we spend and where these dollars go, and let us put them where they will count the most.

Mr. WAXMAN. Madam Speaker, I yield 1 minute to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Madam Speaker, I have heard my colleagues refer to the fact that our budget is out of control, and I agree, let us put the dollars where they can really work.

I urge my colleagues to override this veto. Do we realize that if we do not override this veto we are jeopardizing $325 million for breast cancer research, $72 million for prostate cancer research, $15 million for a new childhood vaccine initiative, $500 million for the National Institute on Aging.

I urge my colleagues, those who care about families, think about your wives, think about your daughters, think about those families that are being destroyed because they cannot find a solution to these health problems.

I got a letter, Madam Speaker, from one of my dear friends who said to me with regard to fetal tissue research:

> Please, please support this bill. My daughter can control the disease with insulin. However, as diabetes progresses, without fetal tissue research she would face heart disease and amputation.

Think of all of this when we think of the value, my colleagues, and vote for this override.

Mr. DANNEMEYER. Madam Speaker, I yield myself 1 minute.

Madam Speaker, the claim has been made here today in this debate that somehow the sustaining of this veto will interfere with research on woman in America. Nothing could be further from the truth.

Dr. Bernadine Healy, in a letter dated May 28, 1992, addressed to Dr. Sullivan, head of HHS, made very clear that the dietary intervention trial of the women's health initiative already requires the inclusion of 48,000 women at a cost of $26 million a year for 14 years. If as a result of this legislation that investigation has to be expanded to include five ethnic groups, that would result in a 5 by 48,000 multiplication, or 240,000, and the cost would be approximately $130 million per year for 14 years.

Dr. Healy goes on to point out that in expanding to include the five ethnic groups it would threaten the very fiscal ability of this investigation to take place, and for this reason I think this veto should be sustained.

Mr. WAXMAN. Madam Speaker, I yield 1 minute to the gentlewoman from Connecticut, [Ms. DELAURO].

Ms. DELAURO. Madam Speaker, the administration's veto of the NIH authorization is a blow to the thousands of men, women, and children who would benefit from this vital legislation. Once again, the administration has demonstrated its narrow-minded approach and its lack of concern for women's health, for those suffering from Alzheimer's disease, diabetes, Parkinson's syndrome, childhood diseases, and AIDS. Once again the American people have been forced to watch progress halted by an administration more concerned about politics than with public health.

This bill is not politics. This bill is a commitment to life.

I am a survivor of ovarian cancer. Thirty-nine percent of the women in this Nation who contact ovarian cancer survive. I was diagnosed accidentally. This is wrong. Men, women, and children in this Nation should not survive by accident. We need this research.

So I urge my colleagues not to be sidetracked by politics and to please vote for this override and vote for life today.

Mr. DANNEMEYER. Madam Speaker, I yield the balance of our time to my colleague, the gentleman from Illinois [Mr. HYDE].

The SPEAKER pro tempore (Mrs. MINK). The gentleman from Illinois [Mr. HYDE] is recognized for 6 minutes.

Mr. HYDE. Madam Speaker, I have the highest respect for everybody on that side of the aisle who has spoken so passionately and so sincerely for this research. And indeed, I share with them the commitment that this research go on. I would be the last person in the world to not want research to proceed.

But what we have heard today is what is called by logicians the fallacy of the false alternative. We have heard that if this fetal research with induced abortions is not permitted to go on, Alzheimer's Hurler's syndrome, diabetes, Parkinson's disease, and even breast cancer research will be harmed. That is nonsense. That is just not true.

Now I listened to my colleagues and I ask them to listen to me. It is not an either/or situation. All of this research which is necessary, and essential, and humane, and compassionate will go forward, but we do not need the perverseness of having induced abortions provide involuntarily for organ donations.

□ 1140

We do not need to reduce unborn children to commodities, or to things, or to chattels.

Now, the calculated effort—and it is a calculated effort—to distort the President's veto into an antiwoman position is utterly contemptible. Parkinson's disease, Alzheimer's, diabetes are not women's diseases. They are people diseases, and we all get them. We all can get cancer, and the statement that the President is somehow antiwoman in vetoing in defense of unborn children—over half of whom are female—is perverse. It is just perverse. It is the use of politics in a situation which ought to transcend politics.

Now, the learned Governor from Arkansas last night issued a statement and referred to the President's veto of this bill as an "ugly bow to the far right." Well, let me suggest to the learned Governor of Arkansas that the Southern Baptist Conference supports the President's veto, and if they are the far right, I would like to know; the U.S. Catholic Conference, I wish they were more conservative, and they are not on the right side of the political spectrum yet, they support the President's veto.

But what is important to know is many, many distinguished researchers support the President's veto and tell us there is enough fetal material from ectopic pregnancies and from spontaneous abortions to provide the material to go forward with this research, and setting up the fetal-tissue bank is worth a try. So let us go with it, and let us see if it can work. I am not talking about people who depend on the Government for their paycheck. Dr. C. Everett Koop, the former Surgeon General, supports the President and by agreement of the gentleman from California, he was one of the best Surgeons General we have ever had, I dare say. Does the gentleman from California [Mr. WAXMAN] agree with me?

Mr. WAXMAN. Madam Speaker, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from California.

Mr. WAXMAN. Madam Speaker, he is certainly a fine, distinguished man.

But let me ask the gentleman this: If the fetal tissue that is in this tissue bank, because it is diseased——

Mr. HYDE. No. It is not diseased.

Mr. WAXMAN. Wait a second. Listen to me. If because it is diseased, if it turns out it is not sufficient, would the gentleman support allowing fetal tissue from elected abortions to be used for this research to save lives of people with these diseases?

Mr. HYDE. Reclaiming my time, I will tell the gentleman that under no circumstances may you exterminate an innocent human life for any cause whatsoever except to save another life.

Mr. WAXMAN. We are talking about a life that is gone, the same as a human being whose life is gone whose organs can be transplanted.

Mr. HYDE. I am telling you that Dr. C. Everett Koop supports the President's veto. He supports the tissue bank which will permit the research to go forward which we have heard is so essential but not just people working for the Government; Georgetown University researchers, University of California at Los Angeles researchers, Case Western, University of Southern California, University of Tennessee, University of Cincinnati, North Carolina, there are plenty of distinguished researchers who say we do not need induced abortions to do this research.

I suggest to my friend from California that the tissue in the fetal bank will not be diseased. Not every spontaneous abortion aborts because of disease, and most ectopic pregnancies are not diseased.

There have been only 60 transplants in 5 years, 60. We are going to get, we are told by the scientists, enough for 2,000 fetal transplants in this bank in a central registry.

We can have our research. We can have this research without having to harvest the bodies of unborn babies whose abortions were deliberately performed.

The most serious consequence of using induced abortion to provide fetal material is the degrading of people to chattels, making them things. Our cultural insensitivity, that was taken care of, I thought, in 1861 when slaves were emancipated as full human beings of considerable worth but not commodities.

So I am suggesting to you the problem of research can be solved. We can have our cake and eat it, too. This is not my opinion nor the opinion of some rightwing groups. This is the opinion of many distinguished surgeons, and doctors, and researchers, and I think we ought to listen to them.

Mrs. SCHROEDER. Madam Speaker, will the gentleman yield?

Mr. HYDE. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. I wanted to say that Secretary Bowen under Ronald Reagan who put the ban into effect now says it should be lifted. I think that is very important.

Mr. HYDE. Secretary Bowen was never much of a pro-lifer. He was never much of a pro-lifer.

Mr. WAXMAN. Madam Speaker, it is frustrating for us who want to speak on this issue when, on the Republican side, they would not yield to a single Republican who supported our position. The gentleman from Illinois [Mr. HYDE] himself personally took 6 minutes. We only had to slice the time up, because we had 20 speakers on our side, into 30 seconds, with 1-minute intervals.

Madam Speaker, I yield 1 minute to the gentlewoman from Maine [Ms. SNOWE] to have an opportunity to speak on this issue that otherwise might not be accorded to her.

Ms. SNOWE. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, Members of the House, I rise in support of the motion to override the President's veto on the

National Institutes of Health conference report.

I sincerely regret the fact that the President has decided to veto this very important legislation, but I hope that that will not stand in the way of Congress' commitment and the demonstration of that commitment to women in this country.

Today is our last opportunity to demonstrate our commitment to women. This legislation, contrary to what has been said here today, is laden with significant provisions that are designed to help women in this country, giving hope to thousands of women who suffer from breast, ovarian, and cervical cancer, osteoporosis.

It is no exaggeration to tell you your vote today may determine their fate.

Madam Speaker, the women's health provisions contained in this bill are long overdue. We should have rectified these grave injustices over many decades.

The fact is many women's lives would have been saved had we brought gender equity to women's health research in this country. The time for excuses is over. Before you today is the most significant bill regarding women's health in the history of this country.

Mr. WAXMAN. Madam Speaker, I yield 30 seconds to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Madam Speaker, I strongly support the override of the President's veto of H.R. 2507, the NIH Revitalization Amendments of 1992.

There are many important provisions of this bill, but today I want to address the issue of fetal tissue transplant research, speaking from my perspective as chairman of the Human Resources and Intergovernmental Relations Subcommittee, which has oversight jurisdiction of HHS.

More than 1 month ago, I wrote to Secretary Sullivan asking for all documents that support the administration's plan for a fetal tissue bank. We all know that this plan was proposed by the President in order to justify his veto of this bill.

Day after day, week after week, Secretary Sullivan's staff promised to send us these documents, which were to provide evidence as to why the administration believes the fetal tissue bank can work. As of this moment, we still have not received a single page of any kind of evidence that this tissue bank will work. Where's the beef, Mr. President? I must reluctantly conclude that there is no evidence this tissue bank plan can work.

It is up to us to say to the victims of Alzheimer's, Parkinson's, juvenile diabetes, AIDS, and other diseases that we, the Congress, will not allow politics to interfere with this crucially needed research. We must regain the trust of the American people by showing that we care what happens to them. We must override this veto.

Mr. WAXMAN. Madam Speaker, I yield 30 seconds to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Madam Speaker, I urge my colleagues to vote to override the President's veto of the NIH reauthorization bill. This bill has been vetoed primarily because it lifts the ban on fetal tissue research.

Fetal tissue research has already led to a number of medical advances and is very promising in fighting diseases ranging from Alzheimer's and Parkinson's disease to juvenile diabetes and leukemia. The legislation includes important safeguards to ensure that any future research is conducted in an ethical manner. For example, fetal tissue could not be sold nor could donations be targeted to any particular individual. As a result of these protections, ethical concerns have been addressed. A fetal tissue bank, as proposed by the administration, is simply not adequate. Countless researchers and other experts have expressed their view that ectopic pregnancies and spontaneous abortions will not produce enough transplantable tissue to meet the needs of researchers. Indeed, in 1988, a panel established by President Reagan recommended that the research be allowed by an overwhelming vote of 18 to 3. The recommendations of the panel were then endorsed unanimously by the advisory panel to the NIH Director. Former Reagan Secretary of Health and Human Services Otis Bowen also supported lifting the ban on fetal tissue research. In regard to the establishment of a fetal tissue bank, he stated:

> A bank of tissue from miscarriages and ectopic pregnancies is medically unworkable and will be unable to provide tissue free from infections and genetic defects. Such tissue has always been unaffected by the ban, but the problems of quality and availability are so insurmountable that research has come to a halt. This political compromise will produce no scientific results.

The women's health provisions in this bill have also been labeled as highly intrusive and unnecessary. This is a shocking assertion in view of the enormous gaps in women's health research and the long history of neglect of women's health concerns in the research establishment.

Madam Speaker, the women's health provisions are critical. We have seen progress made at NIH; however, we have no guarantees that this progress will continue under future NIH Directors. Many provisions of the Women's Health Equity Act are part of the bill, such as the requirement that women and minorities are represented in clinical trials. Funding for breast and ovarian cancer, osteoporosis, and other women's diseases is increased, and the Office of Research on Women's Health is permanently authorized. These provisions and others in the bill will help to assure that this history of neglect of women's health will not be allowed to continue in the future. We have a long way to go to fill the many remaining gaps, but this bill is a very important beginning.

Madam Speaker, this bill is critical to the health of millions of Americans. I urge my colleagues to join me in voting to override the veto.

Mr. WAXMAN. Madam Speaker, I yield such time as he may consume to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Madam Speaker, I rise in opposition to the President's veto.

Mr. WAXMAN. Madam Speaker, I yield such time as she may consume to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Madam Speaker, I rise in full support of the amendment to override the President's veto.

Madam Speaker, we should have known that the education/environment President could not care less about being the research President. Just as his performance in Rio showed us that he has no interest in the environment, his veto of the H.R. 2507 has shown us that President Bush is not serious about the environment, education or research. The National Institutes of Health legislation that Mr. Bush vetoed yesterday might have helped researchers find treatments for many diseases including diabetes, Parkinson's and Azheimer's disease.

Instead Mr. Bush decided to play election year politics playing to the far right by claiming that fetal tissue research was morally repugnant. Well, Madam Speaker, I find it morally repugnant to not have any concern for people suffering from diseases for which there is today no cure but that could possibly be found in the future through fetal research. I find it morally repugnant for the Government not to be responding to ways to cure diseases facing its populace. I and millions of other Americans are outraged by our President's lack of understanding of the gravity of this issue and of his veto of the NIH legislation.

□ 1150

Mr. WAXMAN. Madam Speaker, I yield myself the balance of our time.

The decision by the President to veto this bill was a decision based on pure politics. But it is not cheap politics, because it is going to cost lives. It is going to eliminate hope. It is going to cause millions of American families grief and suffering. It will affect the elderly people in the prime of their lives, and children who are yet unborn who will not have a chance to have genetic defects corrected.

The decision to ignore these people, I think, is one that can only occur in an election year and should never occur in a country that cares about its own people.

I say to my Republican friends: do not vote with the President simply because you are Republicans. This is a bipartisan matter. Vote for this bill because it is the right thing to pass. It is right to put into law programs for research, for hope, and for saving lives.

Madam Speaker, I ask for an "aye" vote for the legislation.

Mr. SANDERS. Madam Speaker, I rise in strong support of the National Institutes of Health reauthorization bill and urge my colleagues to vote to override yet another veto of President Bush.

This country, Madam Speaker, does not need more B–2 bombers, more funding for star wars, or for research into nuclear weapons development. But it does need significantly more funding for research into long-neglected women's health needs—into the epidemic of breast cancer, ovarian cancer, and research into all other kinds of cancer—that killer disease which will afflict one out of three Americans.

Madam Speaker, in my State of Vermont the citizens of our State, led mostly by women, are demanding that the Federal Government play an increased role in the prevention and treatment of cancer. In our State, for example, as in much of New England, breast cancer is at epidemic proportion, with a mortality rate far higher than in other areas of the country.

In this legislation, vetoed by the President, is the 1992 Cancer Registries Amendment Act—a bill which I introduced in the House and Senator PATRICK LEAHY of Vermont introduced in the Senate. This bill would create a nationwide system of uniform statewide cancer registries which will enable each State to collect uniform data on those afflicted with cancer, including age, residence, occupation, stage of disease and treatment. This legislation was hailed by Dr. John Healey of Sloan-Kettering Memorial Cancer Center, in a major article in this month's Reader's Digest, as "the cancer weapon America needs most." This legislation, strongly endorsed by the American Cancer Society, the congressional women's caucus, and many other cancer organizations, also contains funds to study why New England and the Mid-Atlantic States have higher breast cancer mortality rates than elsewhere in the country.

Madam Speaker, let us get our national priorities right. Let us override this Presidential veto and give hope to millions of American families who are struggling with terrible diseases that modern research has the capability of curing.

Ms. WATERS. Madam Speaker, at a time when this Nation is recognizing that the women of this country have been excluded, denied, and dismissed in all of our institutions, and when many well-meaning citizens are attempting to correct this at every level, public policy polls reflect the desire for this change, it is amazing that the President does not get it, does not understand, is not tuned in. He simply has little or no idea, no vision for leading us in a real manner on this issue.

It is amazing that in 1992 the President would veto a bill that would encourage the kind of research that would save women's lives. It has been well documented that women have been left out of every major clinical trial and missing from every important cohort study.

The Office for Research on Women's Health needs to be made permanent to help save women's lives. Not my life, or the lives of the other women in Congress, but the lives of your mothers, sisters, wives, daughters, and granddaughters. And to save the lives of the women close to the President, too.

I am amazed that the President does not have this understanding. Given that he is simply out of the loop when it comes to being in touch with what is important to the American people, let us not be forced to send women to an earlier death, simply because they are women.

I urge my colleagues to support the veto override of H.R. 2507.

Mr. ABERCROMBIE. Madam Speaker, I rise today to express my opposition to yesterday's veto by President Bush of H.R. 2507, the National Institutes of Health [NIH] Reauthorization Act. This single action by the President is an abomination to the people of the United States, and I strongly urge my colleagues to vote with me in overriding this veto.

As we all know, President Bush constantly criticizes Congress for being influenced by special interest groups but this veto demonstrates that he is the one held hostage by a special interest group. I do not understand why President Bush does not have the courage to do what is best for our country. The President may be able to use this veto to appease some members of the anti-choice movement but this is not nor has it ever been an abortion bill. Rather this important piece of legislation is a life-enhancement bill.

In 1988, the Reagan administration placed a moratorium on Federal funding for transplant research involving fetal tissue obtained from induced abortions pending a study by an NIH advisory committee. Later in that same year, two separate NIH advisory committees recommended that the research be allowed as long as the Federal Government included specific provisions to ensure that women do not have abortions in order to supply fetal tissue. However, the Bush administration has continued to impose the ban indefinitely. I am amazed that President Bush has decided that it is more important to put the politics over people's lives.

I know I am not the first Member of Congress to inform the President that the authors of H.R. 2507, including my distinguished colleague from California, Mr. WAXMAN, in response to these specific concerns raised by the NIH advisory committees, made sure that the bill contains the necessary ethical safeguards. Also, various health organizations have contacted me and stated that fetal tissue research is vital and may lead to a cure for Parkinson's disease, diabetes, and Alzheimer's disease. I cannot turn my back to these people.

As important as the issue of fetal tissue research may be, this is only a portion of a bill that authorizes Federal funds for the National Cancer Institute—with specific language included for breast, gynecological, and prostate cancer research—the National Heart, Lung, and Blood Institute, and the National Institute of Aging to name just a few. Also, this bill includes language that mandates the inclusion of women and minorities as subjects in clinical research.

This is truly a life-saving bill, and I urge my colleagues to vote with me to overturn the President's veto.

Mr. HOAGLAND. Madam Speaker, I want to express my support for H.R. 2507, a bill to extend several of the National Institutes of Health [NIH] as we consider today President Bush's veto of this important bill. A major reason I support H.R. 2507 is that it elevates attention to women's health.

Women's health care has been given the back seat for far too long. Men have dominated the health research agenda and most physicians have been men. Many women have to make important decisions about their health and well-being with inadequate information.

Women have some unique needs particularly those related to reproductive health. Most women spend 90 percent of their lives trying either to postpone or avoid giving birth. And as women age, their reproductive health care needs evolve.

One in nine women will develop breast cancer in her lifetime, up from only 1 in 20 in 1961. Seventy percent of these women have no known risk factors for the disease.

Heart disease is the leading killer of American women. American women have a one in two chance of developing a heart ailment.

And contrary to the assumption that AIDS is a gay men's illness, women are the fastest growing group infected with the virus.

This is unacceptable.

H.R. 2507 addresses women's health needs in several ways. The bill expands research on breast cancer and other reproductive cancers. These are diseases that are killing hundreds of thousands of women each year, and we need much more basic information if we are ever to prevent or successfully treat these cancers.

The bill permanently establishes the Office for Research on Women's Health at NIH and requires inclusion of women in clinical research trials. No longer will women be excluded from studies unless there is a good scientific reason to exclude them.

H.R. 2507 expands research on osteoporosis, a disease that disproportionately affects women and is a major cause of chronic disability in the elderly. Osteoporosis affects 24 million Americans and results in $10 billion in associated health care costs.

H.R. 2507 would begin to correct many years of neglect. I urge my colleagues to support the bill in the interest of bringing hope and good health to millions of American women.

Mr. KOSTMAYER. Madam Speaker, yesterday, the President vetoed legislation which held the hope of life for millions of Americans. This legislation overturned the administration's ill-conceived ban on the use of fetal tissue in scientific research. The scientific community is united in its belief that the use of fetal tissue for scientific research may hold a cure for Alzheimer's disease, leukemia, Parkinson's disease, and diabetes. Even the administration's scientific advisory panel has recommended the Government's sponsorship of fetal research. Yet the President has decided to continue to enforce this ban which will slow or even halt the discovery of treatments and cures for life threatening diseases.

Madam Speaker, this is pro-life legislation. It will allow the continuation and expansion of lifesaving research. This legislation will not encourage abortions because the ethical requirements in this legislation would prevent such action. Instead, lifting the moratorium will save lives for those suffering from devastating dis-

eases. Politics must not stand in the way of potentially lifesaving research.

Today, I will be voting to restore hope for millions of Americans. I encourage all of my colleagues to join me in overriding the President's veto.

Mrs. MINK. Madam Speaker, I come to this well today with great dismay that we must once again ask this body to override President Bush's veto of a bill that is vital to the future of American women.

The NIH reauthorization bill includes the most comprehensive women's health initiative ever to pass this Congress. But once again, the President has chosen to play politics with the lives of millions of women across this Nation. Women who are suffering from breast cancer or crippled by osteoporosis. Those who are diagnosed with heart disease but have no proper treatment because research and clinical trials have primarily included men. Women who suffer from ovarian cancer, two-thirds of whom will die because there is no early detection test for this disease. These are the women who will suffer if the NIH reauthorization bill is not enacted into law.

Madam Speaker, for over a century, the women of this Nation have suffered from neglect by the medical establishment and the lack of Federal funds for research on women's health needs. For the last decade many women and men in this body have put tremendous effort into correcting these inequities. But now as we are right on the very brink of approving the largest increase for women's health research it is being snatched away before our very eyes.

The women of this country deserve better. We deserve the chance to be part of the health research that is conducted with Federal funds, we deserve a chance to participate in clinical trials, we deserve a chance to lead healthy and fulfilling lives.

By voting to sustain the President's veto you will be denying women of these rights. I urge my colleagues, do not get caught in this political web, in issues that are being used to detract from the central purpose in this bill which is the future health of the citizens of this country, both men and women.

Vote "aye" to override the veto of the NIH reauthorization bill.

Mr. FAZIO. Madam Speaker, I rise in support of overriding the President's veto of H.R. 2507, the bill that will reauthorize funding for the National Institutes of Health [NIH].

The President says that he vetoed H.R. 2507 because he does not support the provisions that overturn the ban on fetal tissue research. This ban went into effect in 1988, when the Reagan administration barred funding of research performed on transplanted fetal tissue obtained through induced abortions. The research was prohibited—supposedly temporarily—pending recommendations of an NIH advisory committee.

Needless to say, 4 years later, we find ourselves still stifled by the Reagan ban, in spite of the fact that this very same Reagan-appointed advisory committee determined that this research is acceptable, so long as ethical guidelines are developed. We find ourselves still stifled by the Reagan ban even though Dr. Otis Bowen, who was Reagan's Secretary of Health and Human Services and who originally ordered the ban back in 1988, has now come out of retirement to say that the ban should have been lifted years ago.

The President is ignoring the fact that fetal tissue research holds tremendous promise for a number of incurable diseases and conditions, including Parkinson's disease, diabetes, Alzheimer's disease, and epilepsy, as well as for the prevention of birth defects. Doctors have found that, if fetal tissue is transplanted into a diseased or disabled part of a patient's body—such as the brain of a Parkinson's disease victim—the fetal tissue cells may begin to function as units of the patient's disabled organ, causing the patient's health to improve. Unlike adult cells, transplanted fetal cells are not rejected by the patient's body. There are people whose lives are unalterably changed by the impact of fetal tissue research—adults and children—both born and unborn—whose lives are extended due to fetal tissue transplants.

H.R. 2507 now lifts the ban on fetal tissue research, and the President is using his opposition to this research to attempt to justify his rejection of the overall bill. By doing this, however, the President is completely disregarding the far-reaching importance and impact of H.R. 2507. He has chosen to ignore the fact that—if H.R. 2507 is enacted—it will enable America's top scientists and researchers to continue the crucial research that will lead to the new knowledge necessary for preventing, detecting, diagnosing, and treating disease and disability.

H.R. 2507 includes a provision enabling all States to set up cancer registries—for all cancers—operating under uniform standards. It establishes the first congressional program targeted specifically at breast cancer prevention and cure and increases research on the causes and prevention of breast cancer, ovarian cancer and other cancers of the female reproductive system. H.R. 2507 contains an amendment that increases research and prevention programs in prostate cancer, a disease that is diagnosed in 132,000 American men every year.

We have to support NIH research. We cannot afford not to invest in the kind of critical research that H.R. 2507 authorizes, because it is such an important part of the foundation of our health care system. The life-saving research at the NIH has already resulted in decreases in both heart disease and stroke mortality in Americans of all ages. It has already produced immunizations against the infectious diseases that threaten our children.

American families are being overwhelmed by the financial and emotional strain that results when a child, parent, or spouse—any loved one—is stricken with diabetes or heart disease or Alzheimer's or a stroke. I have received numerous letters and phone calls from such families in my district—the families who have a stake in the work of the NIH. If we do not override this veto, we will be turning our backs on these families—on Americans whose hopes hinge on the discovery of a cure for juvenile diabetes, for cancer, for kidney disease, for arthritis.

If we do not override this veto, we will be walking away from the opportunity to make an up-front investment in the health of our people. With health care costs escalating, this investment is one of the best ways we have of preventing the costly treatment that too often follows when serious illness strikes. If an ounce of prevention is really worth a pound of cure, it makes good common sense to pass this bill now so that we can get on with the business of tackling the major health care reform challenges that are before us.

Madam Speaker, I once more acknowledge the efforts of Chairman WAXMAN and the members and staff of his subcommittee in bringing this bill to the floor. I do not see how we have any choice other than to support these efforts by overriding this veto. This is not a partisan issue. It is a health care issue that revolves around a better understanding of both the aging process and the lifestyle practices that affect our health. A vote for H.R. 2507 is an investment in the quality of life for all Americans.

Mr. LIGHTFOOT. Madam Speaker, I rise in support of the President's veto of the National Institutes of Health Amendments of 1992. There are many concepts embodied in this bill which I support. For example, I strongly support the notion that our Nation's health care efforts must focus more on research and care for health problems and their effects on women. For too long, the unique health care needs of women have not gotten the proper attention they deserve. In a society in which slightly over half the population are women, this is not an acceptable situation. Look at the price we have paid for this oversight.

Almost as many women have died from breast cancer as the total number of combat deaths in Vietnam. Women account for half of all heart disease-related deaths. Yet, for example, a major clinical trial examining the effect of aspirin on heart disease did not include women. Also, women make up about half of all alcohol-dependent Americans. However, less than 10 percent of the money spent on research at the National Institute of Alcohol and Alcohol Abuse is spent on problems unique to female alcoholics.

In my State of Iowa, more women than men die of heart disease, Alzheimer's disease, circulatory diseases, and certain forms of diabetes. To exclude women from research or delay research on women's health problems for no substantive scientific reason beyond inconvenience is highly objectionable. We must do more to encourage and push NIH to implement the policy of research inclusion for which it first voiced support in 1986. I look forward to working with the administration and other Members of the Congress to include more women in medical research.

However, I cannot support overriding the President's veto of this conference report. As you know, Madam Speaker, the total cost of the provisions of this conference report exceed the President's request by $3 billion. The administration has consistently supported increased funding for NIH. Certainly, we cannot afford to regress in our efforts to combat the spectrum of health problems confronting our Nation. However, we all remember clearly the tremendous struggle the House went through just a couple of weeks ago over the balanced budget amendment. While there was significant disagreement about amending the Constitution, there was universal agreement on one thing: We must take drastic steps if we

are ever going to get the deficit under control. Now is simply not the time to increase spending by such a huge amount even though the programs involved are worthy.

Also, the conference report contains almost $2 billion in spending for construction. This is not money for critical health care research—it is pure pork barrel spending. This $2 billion accounts for much of the increase over the President's request. Finally, I oppose language in the report which would permit the use of fetal tissue from induced abortions for transplantation and research. While I believe we most certainly need to do more to make scientific research more open to women and other minorities, I still have serious reservations about this measure. I regret worthy intentions have been linked to unacceptable measures. For these reasons, I must support the President on this matter.

Mrs. COLLINS of Michigan. Madam Speaker, I rise to support the vote on overriding the President's veto of H.R. 2507, the reauthorization of the National Institutes of Health. This is a strong bill and it deserves enactment.

Among the strengths of this legislation are provisions establishing the Office of Women's Health Research and in other ways including women in clinical trials. After the introduction of this measure, the NIH copied it by setting up just such an office and is now claiming this legislation is no longer necessary. I say this legislation is even more necessary than it was before. Without it, the work of the Office of Women's Health Research will be wihout the support of a congressional mandate and, hence, be subject to the whims of the President, of Dr. Barbara Healy, the present Director of NIH, and of others in the administration.

This vetoed legislation also requires the inclusion of women and peoples of color, when appropriate, in the samples gathered and tested by the researchers funded by the Institutes. This will address the terrible and even life-threatening imbalance suffered when the only subjects for whom information is available are all from a single ethnic and gender group—white males.

There are those who, for their own political gain, choose to confuse supporting fetal tissue research with supporting abortion. There are suitable provisions contained in this bill to prevent any encouragement of those seeking or performing abortions to increase their activities in that area. With those provisos in place, there will be no moral difference between donating tissue from an already aborted fetus and donating organs. Neither would be done for financial gain, neither would encourage death or killing, both would save lives. This emotional hyperbole is a waste of time and resources.

I urge my colleagues to join with me in overturning this veto.

Mr. JOHNSON of Texas. Madam Speaker, it's not just a fetal tissue problem.

You know—this is just another example of Congress' inability to come to terms with its runaway spending.

There is no way we will ever balance the budget if Congress keeps spending money like there's no tomorrow. Tomorrow is now.

Somewhere, somehow it must stop.

With a $4 trillion debt, now is not the time to authorize $550 million to renovate buildings.

Let's start using some common sense—and let's start now.

Vote to sustain the President's veto.

Mrs. VUCANOVICH. Madam Speaker, I rise today in opposition to the efforts to override the President's veto on H.R. 2507.

The Congress has developed a recipe for a witches brew. Take one cup of good intentions and worthwhile programs, one cup of feasible ideas, but add a pinch of fetal tissue provisions and what do you get? Disaster. That is what we have today.

The NIH bill is full of good programs—women's health programs, cancer programs, AIDS programs—all needed to help the people of our Nation. But this body continues to create disaster, by turning good legislation into fatal legislation. Fatal for the unborn children of our Nation, our future citizens.

Madam Speaker, the President has done a wise thing by vetoing this legislation and I will support this action. I want to support the veto and my constituents want me to do it. Let me share with you a letter I received from a woman in Las Vegas in my State of Nevada. It reads:

> Thank you for your vote against fetal issue for research experimentation. We need to do all we can to make abortions less advantageous, we must do everything possible to not encourage the use of aborted babies. * * * I am 51 years old and could possibly benefit from findings of studies of Alzheimer's et cetera. However, I would not want my life spared, or even discomforts eased, if it took the life of an infant. I would rather be disabled or dead.

Madam Speaker, as a breast cancer survivor, I know what it is like to be thinking about death. It is extremely scary. But like this constituent, I could not live with the guilt of having killed an unborn child to save my own life. Luckily, we do now have an alternative.

The President has established a fetal tissue research bank. This bank is supported by Dr. C. Everett Koop, the former Surgeon General; as well as the Secretary of HHS Louis Sulivan, the Director of NIH Dr. Bernadine Healy, and the Assistant Secretary of the Public Health Service Dr. James Mason. Outside of the Federal Government, researchers from UCLA, Georgetown, the University of North Carolina at Chapel Hill, and the Universities of Southern California have all stated their support for this proposal. This proposal will work. We have already seen promising results in treating Hurlers syndrome with such tissues. We must continue to use this untapped source of normal viable fetal tissue.

Madam Speaker, let's work together to enact the worthy provisions of this legislation. Let's support the funding for research on breast, ovarian, and other cancers; diabetes, heart, and other devastating diseases. Let's stress the importance of the participation of women in medical research. But we must not pass disaster. We don't want it and our constituents certainly don't want it. I urge my colleagues to vote "no" on the NIH veto override and urge them to wait for legislation which will benefit all generations, living and future.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 271, nays 156, not voting 8, as follows:

[Roll No. 222]

YEAS—271

Abercrombie	Ford (MI)	Mineta
Ackerman	Ford (TN)	Mink
Alexander	Frank (MA)	Moakley
Anderson	Franks (CT)	Molinari
Andrews (ME)	Frost	Montgomery
Andrews (NJ)	Gallo	Moody
Andrews (TX)	Gejdenson	Moran
Annunzio	Gephardt	Morella
Anthony	Geren	Morrison
Applegate	Gibbons	Mrazek
Aspin	Gilchrest	Murtha
Atkins	Gillmor	Nagle
AuCoin	Gilman	Natcher
Bacchus	Glickman	Neal (MA)
Barnard	Gonzalez	Neal (NC)
Beilenson	Gordon	Oakar
Bentley	Gradison	Obey
Berman	Green	Olin
Bevill	Guarini	Olver
Bilbray	Hall (TX)	Owens (NY)
Blackwell	Hamilton	Owens (UT)
Boehlert	Harris	Pallone
Borski	Hatcher	Panetta
Boucher	Hayes (IL)	Pastor
Boxer	Henry	Patterson
Brewster	Hertel	Payne (NJ)
Brooks	Hoagland	Payne (VA)
Browder	Hobson	Pease
Brown	Hochbrueckner	Pelosi
Bruce	Horn	Perkins
Bryant	Horton	Peterson (FL)
Bustamante	Houghton	Pickett
Byron	Hoyer	Pickle
Campbell (CA)	Hubbard	Porter
Campbell (CO)	Huckaby	Price
Cardin	Hughes	Pursell
Carper	Jacobs	Rangel
Carr	Jefferson	Ravenel
Chandler	Jenkins	Reed
Chapman	Johnson (CT)	Richardson
Clay	Johnson (SD)	Ridge
Clement	Johnston	Riggs
Coleman (MO)	Jones (NC)	Rose
Coleman (TX)	Jontz	Rostenkowski
Collins (IL)	Kaptur	Roukema
Collins (MI)	Kennedy	Rowland
Condit	Kennelly	Roybal
Conyers	Kildee	Russo
Cooper	Kleczka	Sabo
Cox (IL)	Klug	Sanders
Coyne	Kolbe	Sangmeister
Cramer	Kopetski	Savage
Darden	Kostmayer	Sawyer
DeFazio	Lancaster	Scheuer
DeLauro	Lantos	Schroeder
Dellums	LaRocco	Serrano
Derrick	Laughlin	Sharp
Dickinson	Leach	Shaw
Dicks	Lehman (CA)	Shays
Dingell	Lehman (FL)	Shuster
Dixon	Levin (MI)	Sikorski
Donnelly	Levine (CA)	Sisisky
Dooley	Lewis (FL)	Skaggs
Dorgan (ND)	Lewis (GA)	Skeen
Downey	Lipinski	Slattery
Durbin	Lloyd	Slaughter
Dwyer	Long	Smith (FL)
Dymally	Lowey (NY)	Smith (IA)
Early	Machtley	Smith (TX)
Eckart	Markey	Snowe
Edwards (CA)	Martinez	Solarz
Edwards (TX)	Matsui	Spratt
English	Mavroules	Staggers
Erdreich	McCloskey	Stark
Espy	McCurdy	Stokes
Evans	McDermott	Studds
Fascell	McHugh	Swett
Fawell	McMillen (MD)	Swift
Fazio	Meyers	Synar
Feighan	Mfume	Tallon
Foglietta	Miller (CA)	Tanner
Foley	Miller (WA)	Thomas (CA)

Thomas (GA)	Vento	Wilson
Torres	Visclosky	Wise
Torricelli	Washington	Wolpe
Towns	Waters	Wyden
Traficant	Waxman	Yates
Traxler	Weiss	Yatron
Unsoeld	Wheat	Zimmer
Upton	Whitten	
Valentine	Williams	

NAYS—156

Allard	Hayes (LA)	Peterson (MN)
Allen	Hefley	Petri
Archer	Herger	Poshard
Armey	Holloway	Quillen
Baker	Hopkins	Rahall
Ballenger	Hunter	Ramstad
Barrett	Hutto	Ray
Barton	Hyde	Regula
Bateman	Inhofe	Rhodes
Bennett	Ireland	Rinaldo
Bereuter	James	Ritter
Bilirakis	Johnson (TX)	Roberts
Bliley	Kanjorski	Roe
Boehner	Kasich	Roemer
Broomfield	Kolter	Rogers
Bunning	Kyl	Rohrabacher
Burton	LaFalce	Ros-Lehtinen
Callahan	Lagomarsino	Roth
Camp	Lent	Santorum
Clinger	Lewis (CA)	Sarpalius
Coble	Lightfoot	Saxton
Combest	Livingston	Schaefer
Costello	Lowery (CA)	Schiff
Coughlin	Luken	Schulze
Cox (CA)	Manton	Sensenbrenner
Crane	Marlenee	Skelton
Cunningham	Martin	Smith (NJ)
Dannemeyer	Mazzoli	Smith (OR)
Davis	McCandless	Solomon
de la Garza	McCollum	Spence
DeLay	McCrery	Stallings
Doolittle	McDade	Stearns
Dornan (CA)	McEwen	Stenholm
Dreier	McGrath	Stump
Duncan	McMillan (NC)	Sundquist
Emerson	Michel	Tauzin
Ewing	Miller (OH)	Taylor (MS)
Fields	Mollohan	Taylor (NC)
Fish	Moorhead	Thomas (WY)
Gallegly	Murphy	Thornton
Gaydos	Myers	Vander Jagt
Gekas	Nichols	Volkmer
Gingrich	Nowak	Vucanovich
Goodling	Nussle	Walker
Goss	Oberstar	Walsh
Grandy	Ortiz	Weber
Gunderson	Orton	Weldon
Hall (OH)	Oxley	Wolf
Hammerschmidt	Packard	Wylie
Hancock	Parker	Young (AK)
Hansen	Paxon	Young (FL)
Hastert	Penny	Zeliff

NOT VOTING—8

Bonior	Flake	McNulty
Edwards (OK)	Hefner	Schumer
Engel	Jones (GA)	

□ 1213

The Clerk announced the following pairs:

On this vote.

Mr. Jones of Georgia and Mr. Flake for, with Mr. Edwards of Oklahoma against.

Mr. RAMSTAD changed his vote from "yea" to "nay."

So, two-thirds not having voted in favor thereof, the veto of the President was sustained and the bill was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The message and the bill was referred to the Committee on Energy and Commerce.

The Clerk will notify the Senate of the action of the House.

PERSONAL EXPLANATION

Mr. ENGEL. Mr. Speaker, I was attending my son's graduation and missed rollcall vote 222, on the veto override of H.R. 2507, the National Institutes of Health authorization. Had I been present, I would have voted "aye".

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4318

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent that my name be withdrawn from the sponsorship of the bill, H.R. 4318.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON TRANSPORTATION AND HAZARDOUS MATERIALS AND COMMITTEE ON ENERGY AND COMMERCE TO SIT DURING 5-MINUTE RULE ON TODAY AND BALANCE OF THE WEEK

Mr. SWIFT. Mr. Speaker, I ask that the Subcommittee on Transportation and Hazardous Materials and the full Committee on Energy and Commerce be permitted to sit during proceedings of the House under the 5-minute rule today and subsequent days of this week.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bill on Tuesday, June 23, 1992:

Senate 2703. An act to authorize the President to appoint Gen. Thomas C. Richards to the Office of Administrator of the Federal Aviation Administration.

AGREEMENT BETWEEN REPUBLIC OF ESTONIA AND THE UNITED STATES CONCERNING FISHERIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. No. 102-349)

The SPEAKER 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 Merchant Marine and Fisheries and ordered to be printed:

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (Public Law 94-265; 16 U.S.C. 1801, *et seq.*), I transmit herewith an Agreement between the Government of the United States of America and the Government of the Republic of Estonia Concerning Fisheries off the Coasts of the United States, with annex, signed at Washington on June 1, 1992. The agreement constitutes a governing international fishery agreement within the requirements of section 201(c) of the Act.

Fishing industry interests of the United States have urged prompt implementation of this agreement to take advantage of opportunities for seasonal cooperative fishing ventures.

GEORGE BUSH.

THE WHITE HOUSE, *June 23, 1992.*

PROVIDING FOR CONSIDERATION OF H.R. 5427, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1993

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 499 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 499

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 5427) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1993, and for other purposes. The first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and which shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be considered for amendment under the five-minute rule. All points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived. The amendment printed in section 2 shall be considered as adopted in the House and in the Committee of the Whole. No other amendment shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Unless otherwise provided in this resolution, amendments shall be considered in the order and manner specified in the report except that an amendment in the form of a limitation or retrenchment shall remain subject to the provisions of clauses 2(c) and 2(d) of rule XXI. Unless otherwise specified in the report, each amendment may be offered only by the named proponent or a designee, shall be considered as read, 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. Any time specified in the report for debate on an amendment shall be equally divided and controlled by the proponent and an opponent. All points of order under clause 2 of rule XXI against the amendments in the report numbered 1 and 9 are waived. When the Committee rises and reports 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.

SEC. 2. The amendment considered as adopted in the House and in the Committee of the Whole is as follows:

On page 34, strike line 17, beginning with "Notwithstanding" through line 20, ending with "amounts" and insert in lieu thereof "Amounts".

On page 34, insert on line 3 after "use" the following: ": *Provided*, That no such amounts may be transferred before the date of the enactment of an Act authorizing the use of funds for that purpose."

The SPEAKER. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

□ 1220

Mr. DERRICK. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], 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, House Resolution 499 provides for the consideration of H.R. 5427, the legislative branch appropriations bill for 1993. The rule provides for 1 hour of general debate, equally divided and controlled by the chairman and ranking minority member of the Appropriations Committee.

The resolution waives all points of order against the bill for failure to comply with clause 2 of rule XXI. This provision prohibits unauthorized appropriations or legislative provisions in general appropriation bills. In addition, the resolution waives all points of order against the bill for failure to comply with clause 6 of rule XXI. This clause prohibits reappropriations in general appropriation bills.

The resolution provides that upon its adoption the amendment printed in section 2 of the rule is considered as having been adopted in the House and the Committee of the Whole. This amendment would prohibit the transfer of funds from the Library of Congress to the Architect of the Capitol until subsequent authorizing legislation is enacted.

The rule also provides that only those amendments printed in the report of the Committee on Rules will be in order. The amendments may be considered only in the order and manner specified, except that limitation amendments must be considered under the procedures set out in clauses 2 (c) and (d) of rule XXI. These provisions require the motion to rise be defeated before a limitation amendment is in order. The rule also provides that the amendments in the report are not subject to amendment nor to a demand for a division of the question.

The rule waives clause 2 of rule XXI against the Swett-Klug amendment, amendment No. 1, and against the Walsh-Roberts amendment, amendment No. 9. Finally, the rule provides for one motion to recommit.

Mr. Speaker, this rule will allow the House to consider H.R. 5427, the legislative branch appropriations bill for 1993. The bill would appropriate a total of $1.8 billion, of which approximately $1.075 billion would support directly the operations of the House of Representatives and House-Senate joint items. The remaining $733.5 million would fund the operations of other Government agencies, including the Library of Congress, the General Accounting Office, the Government Printing Office, and the Copyright Royalty Tribunal.

Mr. Speaker, this is a fiscally responsible bill any way you look at it. The total appropriated is just under $20 million below last year's appropriations. Overall outlays, which have direct impact on the Federal deficit, will be reduced by $104 million under last year for the agencies covered by the bill, which is 5.7 percent under fiscal 1992 outlays currently projected by the Congressional Budget Office. Moreover, the total recommended in this bill is $295.4 million below the President's budget request—a reduction of 14 percent.

The bill makes deep cuts that will hit every area of legislative operations including: a hiring freeze; a $27 million cut in mailing costs; a $6.2 million reduction in congressional printing costs; an $8.2 million cut in maintenance and repairs; a $4.5 million cut for House supplies and materials; a $1.2 million reduction in police costs; and a freeze of the Congressional Research Service and all joint committees at last year's level.

Mr. Speaker, since 1978 the legislative branch budget has increased less per year than the consumer price index. By contrast, funds for the executive branch have grown at a rate 41-percent higher than the legislative branch. The bill does not include any previously appropriated but unspent funds and contains more cuts than in any other year in the history of the legislative branch appropriations bill.

Mr. Speaker, House Resolution 499 is a carefully crafted rule that will expedite consideration of this important legislation. I urge my colleagues to support the rule and the bill.

I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Speaker, I am opposed to the rule because it restricts what is traditionally an open process.

I rise in opposition to this rule because it does not waive points of order against all amendments.

Specifically, the Gekas amendment, which would close the grandfather clause loophole and prohibit converting excess campaign funds for personal use, is denied such protection.

If enacted, the amendment would allow us to treat those Members elected before 1980 the same as all others—precluded from converting campaign money to personal use.

Members would have the opportunity to donate the money to charity, support other political candidates, or return the funding to their contributors. Any remaining funding would be returned to the Treasury.

This is a responsible and badly needed amendment which I strongly endorse. Why should we be denied the opportunity to eliminate this dubious practice? To accept this rule is to condone being stripped of our rights as Members of this House.

Without protection from points of order for all amendments, we are confronted with what I call a modified gag rule.

I deplore this rule, and I urge its defeat.

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

Mr. Speaker, I am ashamed to have to say that if I were to assign a grade to this rule, I would give it a D or an F; a D for deceit, and an F for fraud.

Mr. Speaker, Members of this House are being deceived and defrauded when they are being told that this is somehow a fair rule that makes in order 11 amendments.

Now, either intentionally or unintentionally, we were tricked upstairs in the Committee on Rules during the rush to report this rule to the floor. We assumed in good faith that amendments made in order under this draft rule were given the necessary protection against points of order, as they always are. That is how we have always operated around here. So we concentrated our efforts on offering motions to make in order some 14 other Republican amendments that had been left out of this rule.

It was only after this rule was filed and the House had adjourned that we discovered that half of the amendments made in order were not properly protected, and are, therefore, vulnerable to points of order. That's 5 out of the 11 amendments. And one other amendment must go through the procedural hoops of defeating the motion to rise if it is to be offered at all.

In short, Mr. Speaker, we are not talking about 11 amendments that can be offered on this floor today. We are talking about just 5 out of 32 that were filed. Only five may come to an actual vote.

Mr. Speaker, what kind of goings on is this?

Mr. Speaker, I think it is disingenuous for the Committee on Rules to lead Members to believe their amendments have been made in order and then fail to give them the proper protection.

Members, especially newer Members around here, have a tough time, as does the press upstairs and the American people watching this charade, in understanding the Committee on Rules' manipulations as it is. This rule deserves the contempt and scorn of this House on that basis alone.

But on top of that, of the 14 Republican amendments not included in this rule, 10 were legitimate cutting amendments that would be allowed under a normal appropriations amendment process, just like we had last year. Nothing happened. The place did not fall apart last year. But for no good reason, they were excluded from this rule this year.

Mr. Speaker, this rule is an insult to every Member of this House and an abdication of the constitutional powers of the Congress. It must be defeated if we have any pride and any respect left for this institution.

This is the first time in my 14 years in this body, and, to the best we can determine, the first time in history, that the Committee on Rules has recommended limiting the amendment process on a legislative branch appropriations bill. And today the Committee on Rules may consider reporting a similar rule for the foreign operations appropriations bill, the fourth such rule for that bill. The committee is meeting upstairs on that right now.

Mr. Speaker, every once in a while I think we would do well to take a step back and consider just what the Framers of our Constitution had in mind and just how much we have departed from their original intent.

With that in mind, Mr. Speaker, let me read just briefly from Federalist No. 58 by James Madison:

> This power over the purse may, in fact, be regarded as the most complete and effectual weapon with which any Constitution can arm the immediate representatives of the people for obtaining redress of every grievance and for carrying into effect every just and salutary measure.

Mr. Speaker, I would ask my colleagues to seriously consider those words from one of our Founders in the context of this rule. Here we are, dealing with one of our 13 regular appropriations bills, exercising one of the most important constitutional powers we have: The power of the purse. And we are being asked by the Committee on Rules to limit that power, to restrict ourselves, to in effect disarm ourselves of what Madison referred to as our "most complete and effectual weapon."

Mr. Speaker, I just cannot imagine my colleagues engaging in this kind of unilateral disarmament, any more than I can imagine the President giving up his powers as Commander in Chief. The power of the purse is one which has been wielded by both parties and members of all ideological persuasions to effect policy change in the administration.

Mr. Speaker, the power of the purse should be just as applicable when it comes to the spending policies of this Congress as it is to the spending policies of the executive branch. Is this to be another instance in which we exempt ourselves from the same scrutiny we inflict on others? I would hope not. Lord knows we are not "Simon Pure" around here.

Mr. Speaker, last week when I learned that the Committee on Rules was requiring the advance filing of amendments to both the legislative branch and foreign operations appropriations bills, I wrote to the Speaker and urged that you reverse what I called this ill-conceived precedent.

□ 1230

I went on in that letter to observe that a similar restriction on a rule last year on the foreign operations bill set off a storm of protest in this House that led to a meeting in your office.

What initially came out of that meeting, Mr. Speaker, was an olive branch from you on the issue of restrictive rules and our minority right to recommit. I am afraid that the only thing we are left with from that olive branch today is the shaft, Mr. Speaker, because that is what we have been getting over and over again from the majority this year.

Mr. Speaker, it is not unreasonable to ask that this House follow the regular order on appropriations bills. It has worked for over 200 years. Yes; 200 years.

I would point out that I am not asking for a special rule to make in order nongermane amendments or legislative or unauthorized provisions.

While the majority does regularly report those kinds of amendments, all I am asking for is an open rule that is provided for under standing rules. I am simply asking for a return to the regular amendment process. There is not a great deal of political mischief that can be done with such simple amendments, contrary to what the Speaker seems to think. If there is anything political about this whole process it is the majority's imposition of an unfair rule that arbitrarily restricts the amendment process for the purpose of protecting the majority's turf. That should not be any more exempt from fiscal scrutiny than the military construction bill that was on the floor yesterday. And that process worked fine under an open rule.

In conclusion, Mr. Speaker, I hope this House will be infused with a fresh sense of historical, constitutional, and fiscal purpose by voting down the previous question on this rule so that we can substitute an open rule, which we are entitled to.

To support this rule is to abdicate the most important power we have as Members of the first branch of Government, our power over the purse strings of this Government. Once we lose that, I think we have forfeited the most sacred trust placed in our hands by the people who sent us here.

Mr. Speaker, enough is enough is enough is enough is enough. We need to defeat the previous question and pass a rule that will allow an open amendment process so we can make cutting amendments or adding amendments as provided for under the standing rules of this House.

Mr. Speaker, I include for the RECORD a copy of the letter to which I referred and a document entitled "Restrictive Rules on Appropriations Bills, 95th–102nd Congresses."

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 18, 1992.

The Speaker,
U.S.House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I am writing to strongly protest announced plans to restrict amendments on the Legislative Branch and Foreign Operations Appropriations Bills.

As you will recall, last year at this time a furor was provoked in the House over a rule limiting amendments to the foreign operations bill. As we noted at the time, it was virtually unprecedented to prevent Members from offering simple cutting amendments under an open amendment process. And that is virtually all they are left with given existing rules against legislating and authorizing on appropriations bill, and give the fact that most bills are already up against their budget allocation spending ceilings. Cutting amendments are not too complicated to deal with under an open amendment process.

To further restrict the rights of Members by requiring the pre-filing of amendments with the Rules Committee, and thereby giving it the right to pick and choose which to make in order, severely cripples the legislative process and our most fundamental prerogative under the Constitution to appropriate money and exercise the powers of the purse string.

I strongly urge you and your majority leadership to reconsider and reverse this ill-conceived precedent, especially if, as it appears, it is being applied selectively. Congress already has lost enough of this prerogative without its consciously trying to further dilute its most fundamental prerogative to appropriate and control government spending.

Sincerely yours,
GERALD B. SOLOMON,
Member of Congress.

RESTRICTIVE RULES ON APPROPRIATIONS BILLS, 95TH–102ND CONGRESSES

95TH CONGRESS

Four restrictive rules were granted on regular appropriations bill: H. Res. 664 on H.R. 7932, the Legislative Branch Appropriations bill, permitting open amendment process except only one specified amendment on the subject of Congressional pay; H. Res. 1236 on H.R. 12928, Public Works Appropriations, prohibiting amendments only in one specified area; H. Res. 1220 on H.R. 12929, Labor-HEW Appropriations, making in order only two amendments to the abortion section; and H. Res. 1230 on H.R. 12932, Interior, prohibiting amendments that would make the availability of appropriations contingent on enactment of the relevant authorizations.

96TH CONGRESS

One restrictive rule, H. Res. 335, was granted on a regular appropriation bill, H.R. 4389, Labor-HEW Appropriations, permitting only two amendments to the section on abortion.

97TH CONGRESS

No restrictive rules were granted on a regular appropriation bill.

98TH CONGRESS

No restrictive rules were granted on a regular appropriations bill.

99TH CONGRESS

One restrictive rule (H. Res. 481) was granted on a regular appropriations bill: H.R. 5052, the Military Construction Appropriations bill, but it did not affect the regular amendment process—only a new title relating to Contra Aid.

100TH CONGRESS

One restrictive rule (H. Res. 457) was granted on a regular appropriations bill, H.R. 4637, the Foreign Operations Appropriations bill, permitting only 18 amendments printed in the Rules Committee report (11 Republican and 7 Democrat).

101ST CONGRESS

One restrictive rule (H. Res. 425) was granted on a regular appropriations bill, H.R. 5114, the Foreign Operations Appropriations bill, permitting only 11 amendments printed in the Rules Committee report (8 Democrat and 3 Republican).

102ND CONGRESS, (FIRST SESSION)

One restrictive rule (H. Res. 177) was granted on a regular appropriations bill, H.R. 2621, Foreign Operations Appropriations, permitting only 11 amendments (6 Democrat and 5 Republican).

[Note: The above data does not include rules for continuing resolutions (CRs).]

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

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

I normally do not pay much attention to those wild accusations like were just made about the Committee on Rules, but I do think that someone must stand up and remind the gentleman, and he is a very bright guy, one of the brightest guys in this body, a good friend of mine, but he very well knows, because he was in the Committee on Rules, that there were 32 amendments that were submitted. Five were withdrawn, 2 submitted late, and that we allowed 12 under the rule.

I understand that some of those are subject to a point of order, but there are several that are not. And of those 12, 10 are Republican amendments and 2 were Democratic amendments.

My colleagues may disagree with the rule, and they may disagree with what the rule allows us to consider. But I really do think it is quite unfair, and the gentleman does not do himself much favor in the eyes of the rest of the House when he so unfairly, in my opinion, criticizes the Committee on Rules, not just criticizing what it is doing but criticizing it personally.

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

Mr. DERRICK. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I would say to the gentleman, who I have a great deal of respect for, there is one thing I am very proud of. If the gentleman reads the Almanac of Politics and the Congressional Quarterly, they quote two things about me in there, and they say that "Gerry Solomon does not take cheap shots, that he is recognized on both sides of the aisle for that."

But when I get exercised over what happened up there yesterday, my good friend, when I read the rule, which states that all points of order under clause 2 are waived for amendments 1 and 9, that is just unprecedented, my good friend, and the gentleman knows it.

It normally would say amendments 1 through 9. We did not ask the gentleman to read the whole rule. We did not ask to take up the time. We expected good faith explanations of the bill. That did not appear on the attachment.

The gentleman knows it. That is why we are so concerned on this side of the aisle.

Mr. DERRICK. Mr. Speaker, let me just say this, that I will stand by my original statement, that I think the gentleman does not do himself any justice of the person that he is, nor does he do the committee on which he serves, when I think he is so unfairly critical in a very personal way of the Committee on Rules.

Mr. Speaker, I yield 4 minutes to the gentleman from Delaware [Mr. CARPER].

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

This legislative branch appropriations bill is brought to us today by a subcommittee that is headed by two of the people in the House that I most respect: the gentleman from California [Mr. FAZIO] and the gentleman from California [Mr. LEWIS]. They have done, I believe, good work.

It has been mentioned thus far in the debate on the resolution that cuts, significant cuts are to be made in the way we spend money to run the legislative branch of our Government. I do not want to overstate the magnitude of those cuts, but indeed, if this bill is adopted, just as it is before us today, we will spend roughly $20 million less in 1993 to run the legislative branch of our Government than we are spending in 1992.

Some would argue that $20 million is not a lot of money, but I would say it is a lot better than spending $20 million more or $200 million more or $2 billion more.

For us to be realistic, I think it is important that we remember, we are not going to balance the budget by cutting spending in this bill. We could zero this bill out entirely. We could zero out each of the 12 appropriation bills that deal with domestic discretionary spending entirely. Or, alternatively, we could elect to eliminate entirely the Defense appropriations bill, and by doing any one of those alone, we will not have eliminated our budget deficit. We will still have a significant budget deficit, unless we also address runaway entitlement program spending that is outside the jurisdiction of the appropriations committee.

Again, the cuts that will be offered in amendments here today are not of a magnitude that will make an appreciable difference in the size of our budget deficit. What is important is that we demonstrate some leadership by example and tighten our belts in the legislative branch of our government.

Of the 30 or so amendments that were requested to be made to this bill, some have merit. Some are dubious, and some are what the gentleman from Wisconsin [Mr. OBEY] refers to as "posing for political holy pictures."

Having said that, though, I am not comfortable with our effectively limiting the ability of Members to offer as few as six amendments to this bill by adopting the rule now before us. I am happy to stand with the gentleman from California [Mr. FAZIO] and with others to argue, to speak against amendments that have no merit and to defeat them, as we should. I am happy for us to limit the amount of time that can be allotted to discuss an amendment, 5 minutes, 10 minutes, whatever, to get them over and out of the way, particularly those that are not meritorious.

I do not believe we should be limiting the number of amendments that can be offered to this bill as severely as this rule, in reality, limits them.

My leadership of this House, a leadership that I helped to elect, worked hard 2 weeks ago to defeat the balanced budget amendment that I had worked on for 7 years.

We debated it, had a fair fight. Those of us who supported the amendment believed its adoption and ratification would lead to reducing our budget deficit in the years ahead. When the votes were counted, though, we lost.

Now my same leadership seems to be inclined to limit amendments to spending bills. I do not know how, on the one hand, we can say we do not need an amendment to the Constitution that requires the President to propose a balanced budget, and makes it more difficult for the Congress to unbalance the budget, and, then having defeated that constitutional amendment, to limit the amendments that can be offered to this spending bill or, frankly, to other spending bills.

I do not believe this is the kind of precedent that we want to set. It certainly is not a precedent that I am comfortable in setting.

I will oppose this rule as a result. One of the amendments that is not going to be made in order today is an amendment that would have been offered by the gentleman from Louisiana [Mr. HOLLOWAY]. That amendment would have limited, or reduced somewhat, the amount of money that we spend on committees around here.

□ 1240

Everybody in this Chamber knows that we have too many committees,

too many standing committees, too many select committees, and too many subcommittees of those committees. As a result, we walk all over one another's turf, we get in the way, we hinder the operation of our people's business. Yet, we are not going to have a chance to vote for that amendment today, or against others which deserve to be defeated. I think that is a shame, and I would urge the defeat of this rule.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. LEWIS], who is the ranking member of the Legislative Subcommittee of the Committee on Appropriations.

Mr. LEWIS of California. Mr. Speaker, I rise in strong opposition to this rule. It is important for the Members to know that we are establishing a precedent here that could indeed undermine a longstanding pattern relative to appropriations bills. When those bills come to the floor we are spending the people's money. If we ever want to get a handle on our budget deficit we have to have access to every item of expenditure, for indeed, the people's dollars are involved.

In this case, I would urge even more intently that it is a mistake to suggest that we ought to have a closed rule. I do not recall a time in which the Committee on Rules produced a bill in which they made amendments in order that in turn were not protected; that is, they were subject to points of order, on the one hand, while on the other hand that same Committee on Rules made the decision to not approve amendments that fully qualify in terms of normal amendments to an appropriations bill.

The amendment offered by the gentleman from Louisiana [Mr. HOLLOWAY] that involved dollar reductions dealing with select committees, the amendment by the gentleman from Florida [Mr. STEARNS] that would do the same, the amendment by the gentleman from Pennsylvania [Mr. SANTORUM] dealing with mail, not made available for consideration under this bill, when they would be fully qualified. So it is a closed rule establishing a process whereby that could become the pattern for all Appropriations Committees' bills.

Most importantly, with this Appropriations Subcommittee report, it deals with expenditures for the Members' body. This is the people's body first, but the Members work and run this operation. Certainly they ought to be able to speak to the question of how we appropriate funds for those various activities. To limit the subcommittee report of the Committee on Appropriations in this fashion by way of this rule indeed is almost an insult to the committee process.

Indeed, in my judgment, the Committee on Rules ought to think very carefully about what they are bringing to the floor today. If this becomes the first step to a series of limited rules on appropriations bills, we will have changed the direction of the appropriations process. The leadership may be undermining our capacity to get a handle on our deficit.

Mr. DERRICK. Mr. Speaker, I have one request time, and I reserve the right to close debate.

Mr. SOLOMON. Mr. Speaker, I yield 3½ minutes to the gentleman from Kansas [Mr. ROBERTS], who is a member of the Subcommittee on Personnel and Police of the Committee on House Administration.

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

Mr. Speaker, first I want to thank the Committee on Rules for the three amendments that were made in order that I will offer when we get to that process, but I want to talk about the one amendment that was exceedingly important that was denied. In this regard I want to associate myself with the remarks of my colleague, the gentleman from California [Mr. LEWIS], who made some very excellent statements as to the purpose here.

We had an amendment, "we" meaning the gentleman from Michigan [Mr. UPTON] and myself, which would have reduced the official mail allowance to a more realistic appropriation level all members know that we would not have forced any Members to cut their current mailing practices. This amendment would have done a very simple thing. We would have reduced the account from $53 million, $53 million, to $41 million. Why? Because in the off-year, not the year of election, the last time around we only spent $31 million. Now we have programmed in $53 million? Our amendment would have cut it to $41 million and had a $10 million cushion.

What we are seeing here is the use of the franking appropriation as a bank to use for other purposes. It is not right.

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

Mr. ROBERTS. I am delighted to yield to the gentleman from Michigan, my cosponsor.

Mr. UPTON. Mr. Speaker, if the gentleman will remember, last year he and I both introduced and battled an amendment to reduce franking costs last year that, unfortunately, we lost by 20 votes. It would have cut franking by $20 million last year.

I would ask the gentleman from Kansas, what happened to that $20 million that we failed to cut last year?

Mr. ROBERTS. The gentleman is exactly right. We would have reduced the franking allowance from $80 million to $59 million, so consequently we had about $20 to $21 million that was reprogrammed. When we considered the emergency supplemental bill, that was used as an offset. That went to the Treasury. All that money that was supposed to go for the mailing costs, it went to the Treasury as an offset for some programs that we wanted to fund around here.

Mr. UPTON. If the gentleman will continue to yield, in other words, we were arguing that we made tough choices when we battled the constitutional amendment to balance the budget a couple of weeks ago, and in essence, those moneys that we tried to cut and we tried to offer with the gentleman's amendment today, in essence it is just going to go for something else, is that correct?

Mr. ROBERTS. Last year it was $20 million used to offset some cost in the supplemental. This year it will be $12 million. It will be reprogrammed, doubtlessly, for what program I know not. There will be no hearings, there will be a decision by the subcommittee.

This is exactly the kind of thing most Members in this body object to. We ought to have a mailing account that is used for mail, not as a bank for some other kind of reprogrammed fund. The gentleman is entirely correct.

Mr. UPTON. If the gentleman will continue to yield, if I might ask the gentleman from New York [Mr. SOLOMON], is it his recollection that, as we have debated the legislative appropriation bill every year, that we have had amendments that have been offered to reduce the franking costs?

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

Mr. ROBERTS. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I would just say that many of the amendments that were denied this year were allowed last year under a fair procedure.

Mr. ROBERTS. If I could make the statement, it was under the legislative appropriations bill that we capped the mailing cost, that we made it public and we provided the current mail allowance. This was the vehicle for reform. Now it is not the vehicle for reform, and why Members should vote against this rule. If they vote for the rule, they are voting for $12 million more than they need on mailing to be reprogrammed somewhere else. It is not right.

Mr. SOLOMON. Mr. Speaker, I assume that if the majority does have speakers that come on the floor, they would enlighten us. In the meantime, I will assume they only have one speaker.

Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, there are a number of reasons why Members should not vote for this particular rule. First of all, it is a flawed rule. The self-enacting provision that they put in the rule, they drafted it wrong. The whole thing ends up making the bill into gibberish, so if Members vote for this rule,

it is a flawed rule that they did not even write right when they sent it down here late last night.

Second, this is by far the single most fraudulent rule I have seen in this Congress since I have been here. Let me tell the Members why it is a fraud. It is a fraud first of all because it denies Members their basic right to strike spending from bills. This is something which we can bet will become a precedent. We can bet the Committee on Rules will be back here with other rules on other appropriations bills designed to stop spending, and in this case, allows spending to go forward.

Then they have the audacity, the audacity to come to the floor and claim that they made a lot of particular amendments in order, amendments like the Santorum amendment on the Capitol Buildings account, or the Gekas amendment on the grandfather clause, or the Smith amendment on funding of legislative branch overheads. They claim they made those in order. However, they did not give them a waiver, so therefore, they are subject to points of order.

To put those in this rule is a fraud. It is a phony, just like this entire rule is a fraud. It is a phony. The Committee on Rules knew when they were writing this bill or writing this rule that it was a fraud and it was a phony.

Then to have people come to the floor and to describe it as fair to the minority, "We gave you amendments, these are something that we have given you," let me tell the Members, giving us this as they strip us of our rights is nothing. It is like when the people in the South some years ago, I would say to the gentleman from South Carolina [Mr. DERRICK], were stripped of their rights but were told how nice it was that "We give you a hovel to live down behind the plantation house." It is a little like when people in Germany, in Nazi Germany, were stripped of their rights and told how nice it was that they were given someplace to live in a concentration camp. That is the same kind of petty despotism which is represented in this rule.

□ 1250

I am convinced, now having seen this rule, that what we have in the Rules Committee are a group of petty despots who will take nearly any stance that is needed in order to preserve the dictatorship that is evolving in this House of Representatives. They are willing to do anything to enforce the politics of this House.

In this particular case, the bill before us is a bill designed to increase the spending of the House. It is a bill designed to protect the perks and to protect the privileges of the House. And what do we have, we have the first rule in the history that I know of, at least in the history that I have been here, that prevents us from stopping the spending, that prevents particular amendments.

For example, we had a 1-percent across-the-board cut in the bill that was brought before us yesterday. Guess what this rule prevents? It prevents the gentleman from Florida [Mr. STEARNS] from offering a 2-percent across-the-board cut. Is that not something? We can have a 1-percent across-the-board cut when it comes to military construction, but we cannot have a 2-percent across-the-board cut in this bill, no. You know, we cannot treat ourselves the way we treat other accounts. Or how about the franked mail. We prevent franked mail from being cut.

This is an absolutely despotic rule. It ought to be rejected overwhelmingly.

Mr. DERRICK. Mr. Speaker, I yield myself such time as I may consume and I will take just a moment here with this spirited criticism of the Rules Committee and say that the gentleman who just spoke very well knows that there is a motion to recommit in there, that he can include across-the-board cuts, he can include all of the other cuts that he particularly wants.

I had occasion to visit in the part of Pennsylvania that the distinguished gentleman represents, and I enjoyed it very much. I found some of the finest people in the world. And I really do regret that you find it necessary to compare my part of the United States with Nazi Germany. I mean I think it is just horrible. I have been up here a long time and I do not think I have ever had anyone who showed so little respect for a part of the country.

Mr. WALKER. If the gentleman will yield, I did not compare his part of the country. I compared two different times when in his part of the country, before the Civil War when there was slavery, when people were told that somehow they were being treated nicely on the plantation. I also compared that to the situation in Nazi Germany and this rule to Nazi Germany where people were also denied their rights, and then told how well they were being treated in the concentration camps. That is what I was referring to. I did not compare.

Mr. DERRICK. I will take back the balance of my time. My interpretation of what you said and I think most people who were listening would understand that what you really meant is you were comparing my part of the country with Nazi Germany, and I resent it.

Mr. WALKER. If the gentleman will yield, that is not what the gentleman said.

Mr. SOLOMON. Mr. Speaker, let me just say that the next Governor of the State of Delaware, a good Democrat who is a fiscal conservative, I think, spoke to this unfair rule.

Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, I thank the gentleman from yielding me the time.

At first blush I should be grateful that the Gekas amendment was made in order by the Rules Committee. But on a second glance, and after real inspection of the rule, I would rather it go down with the previous question than to accord the privilege of arguing on a Gekas amendment that will be subject to points of order.

The Gekas amendment will go a long way toward reform of this body and to raise the self-esteem of this body in the eyes of the public. And I want very much to argue that point of order that is sure to be raised to show the germaneness of it, to show the legislative capability of it. But I would rather forgo all of that if indeed this rule is permitted to stand which treats everything else so unfairly.

I will vote against the previous question.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. FAWELL], chairman of the porkbusters task force.

Mr. FAWELL. Mr. Speaker, this rule obviously sets a brand new order. Those of us who have been standing up now and then and suggesting, we hope in the best of ways, that cuts are in order, are frustrated to suddenly have this new precedent set forth which requires that we must trek up to the Rules Committee in order to offer such amendments. With all due respect to that body, they represent the leadership, the same leadership that killed the balanced budget amendment and professed that Congress had the will to be able to do something about controlling government spending. And as a practical matter, what this rule says to the ordinary Members of this body who do not hold titles that are outstanding and so forth, but who want to play a part in the appropriations process—this rule says that such rank and file Members are not going to really be able to play a role. We are now going to have a filter of correct political thinking which we will have to be able to bypass.

To me this is just atrocious when you have this kind of action taking place. After all that we have gone through, and at the very time when I thought the appropriations process was opening up to where members on the Appropriations Committee were recognizing that other Members did have things to say of merit, then to slam the door like this and close the open rule, words fail me. I hope that the body will get together and for once just vote down the darn rule.

Mr. Speaker, this rule sets a new order. No longer can Members present an amendment at any time during the debate on an appropriation bill. Members now must get prior approval from the Rules Committee to present an

amendment affecting—of all appropriation bills—the legislative appropriation bill.

If the leadership of the House does not want an amendment to be presented on the floor of the House, it simply will not be presented. This is the same leadership that killed the balanced budget amendment because they said it did not make the tough decisions to cut spending.

Well * * * here was your first chance to make a tough decision. And what is leadership's response? Muzzle the Members of the House on the floor. Put them through the filter of correct political thinking. Especially those who are not members of the appropriations committee so they cannot cut the money Congress spends on itself.

By limiting amendments, leadership is saying in effect: "Trust us, we know best how appropriations should be cut."

Mr. Speaker, the $4 trillion national debt, the one-half trillion dollars of new debt this year, the $300 billion we must spend this year to pay interest on the national debt; the 23 years in which Congress has failed to balance a budget; all has come about to a great extent because of appropriation bills. The debt fiasco did not mysteriously appear overnight. Now, I grant you the Presidents who have been in office over the past 23 years are just as guilty as the appropriators in bringing about this fiscal mess.

But, muzzling the individual Members of this Congress especially now—smacks of an imperialism by the elite group that rules this House. This is the first time in my 8 years here that we've been thus muzzled on appropriation bills. It's the first time we have been denied the open rule right to present amendments to an appropriation bill. Most of us ordinary Members do not have important titles. But I can tell you that this body is in great need of advice from wherever it can get it when it comes to setting budgets and appropriating money.

In short, Mr. Speaker, this rule coming on the heels of the defeat of the balanced budget amendment, sets terrible precedent. It illustrates a disdain of the taxpayers of this Nation and, indeed, of their representatives in this House. One may not like some of the amendments which were to be or might be offered if the rule were open. I would not have voted for all of them. But, I respectfully submit that any Member should have a right to present them, especially under the dire financial circumstances which fact this Nation.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. SANTORUM].

Mr. SANTORUM. Mr. Speaker, again the House of Representatives hits an alltime low. Here we are, all of us who are back home running for reelection saying we are for reform, we are going to change this place, we are going to put a new face on this place, yes, we are out here running saying we are going to do great things, but when the time comes to put up, where are we? This is a put-up vote.

Those of you in the gallery, back in your offices, Members back home, this is a put-up vote. You cannot go back and say you are for reform in this institution. You cannot go back home and say that we are going to cut this, and we are going to put our house in order unless you vote "no" on this rule.

This is a put-up vote. This is one that counts. This is one that will be recorded as to whether you want to reform this institution, cut the waste and abuse that goes on here, put a new face on this institution and move forward. This is the vote right here on this rule, because if you do not allow it, then all of these amendments, good amendments that would have been allowed under any other circumstances on an appropriation bill, we are not going to get a chance to vote on them. This is the vote.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from Ohio, Mr. BOEHNER.

Mr. BOEHNER. Mr. Speaker, this institution today is under indictment by the American people. The need for reform is clear.

Last week this House, by an almost unanimous vote, voted to put in a committee to look at institutional reform. We cloak ourselves every day lately in this bipartisan need for reform of the House. One such reform that we need is this business of sending closed rules to this floor.

People in America think that we have democracy in America and we have democracy in this House. The fact is that we do not. We only debate, and we only vote on what the Democrat leadership of this Congress will allow us to consider, to debate, and to vote on.

If I had been allowed to offer an amendment today that I had offered in committee, we would have stopped the practice of allowing Members to buy voter lists in order to target their political junk mail into the districts. I though we were elected to represent all of the people in our districts. But under this closed rule, I am not allowed to offer my amendment.

The only alternative I have is to vote against this rule and to try to bring an open rule to this floor.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Speaker, I rise in strong opposition to this grossly unfair and undemocratic rule.

Just 1 short week ago, the Members of this House were honored to hear the words of Russian President Boris Yeltsin. President Yeltsin made a number of promises to the Congress and the people of the United States. He promised that the days of a political party which dominated its opponents, closed off debates, bent the rules of every process it contrived to its advantage, and lied about its actions would never return to his country.

They were courageous words, but they were not just words. We have seen actions that legitimate these promises. They represent a true commitment that government will never again trample over democracy in that country.

Remembering that speech, I feel more betrayed than ever by the actions of the leadership and the majority on the Rules Committee in violating all precedent and closing the rule on this appropriations bill. This closed rule shows that the normal rules which are supposed to govern our activity are being rendered more meaningless by the day. We are on the verge of a tyranny of the majority in this House—the body that is supposed to ensure the rights of every American.

Monday, I went before the Rules Committee and presented an amendment for a simple 2-percent across-the-board cut in the legislative branch appropriations bill. The amendment met all the rules of germaneness and in no way attempted to legislate on this appropriation. In fact, a nearly identical amendment was offered by my colleague, the gentleman from Minnesota [Mr. PENNY], 2 years ago, accepted and approved by a wide margin on the floor of the House. Just yesterday, an across-the-board 1-percent cut was allowed and approved on the military construction appropriation.

How, by any reasonable reading of the rules, could anything have changed since yesterday?

The simple answer is that nothing has changed accept the will of the leadership of this House. They express contempt for the full membership of this House by their closed rule on this amendment and contempt for the taxpayers of this country.

This House would have been enriched by the opportunity to consider an alternative funding level for this bill. However, that has not been allowed. I hope all Members of this House who are concerned with free and open debate and the rights of all Members should oppose this unprecedented closed rule.

□ 1300

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. GOSS].

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

Mr. Speaker, I strenuously oppose the rule.

A few weeks ago, the Committee on Rules took the unusual step of banning TV from their hearings, claiming that the topic was too technical for the American public to understand.

Yesterday that same committee tossed aside an amendment by a 9-to-4 party-line vote, I am told—tossed aside an amendment, supported by some 60 of our colleagues, designed to save hundreds of taxpayer dollars every year by limiting the special allowance privileges that we afford former Speakers to just 3 years. That action was indefensible, and I can well understand where the majority party did not want the manipulation that was going on being viewed by the people across this country on TV.

This House, not the 13 members of the Committee on Rules or the majority party of the Committee on Rules, is charged with the responsibility of making the budgetary decisions.

The majority party control of the Committee on Rules has overstepped its bounds, denying us the opportunity to do our job. Only 18 percent of the American public now approve of the way this Congress is going about its business.

Can you blame the vast majority who think we are failing?

The refusal by the Committee on Rules to allow reasonable money-saving amendments to reach this floor is a very clear example of a problem.

A few majority party Members have usurped most of the power and are arrogantly refusing to do what is right. The American people elected 435 of us to manage the Nation's budget. If the majority on the Rules Committee continue to bypass that mandate, then perhaps voters may bypass them.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. GINGRICH], the distinguished whip.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman, my friend from New York, for yielding me this time.

Mr. Speaker, you know, this is really a tragic vote. One week after Boris Yeltsin came to this Chamber to talk about freedom, we have a petty legislative tyranny which, first of all, proposes a rule in which 6 of the 11 amendments in order are, in fact, subject either to a point of order or a procedural defeat and cannot be offered, and then there are 14 amendments that would cut, that are not in order.

If you vote "yes" on this rule, here is what you are voting to kill: "yes" vote kills an effort to reduce committee funding by $1.4 million; a "yes" vote kills prohibiting the free distribution of CBO publications except to public libraries, thereby saving money; a "yes" vote kills a reduction of CBO expenses and salaries by $2,265,000; a "yes" vote kills a cut of 30 percent for salaries and expenses at the Joint Committee on Printing; a "yes" vote kills an effort to stop funding being used to buy voter registration lists with taxpayer money; a "yes" vote kills an effort to prevent the use of House money in a Speaker's contingency fund beyond the current year; a "yes" vote kills an effort to cut the spending on former Speakers by limiting them to 3 years of taxpayer subsidies; a "yes" vote kills a 5-percent cut in funding and expenses of standing committees, special and select; a "yes" vote kills a new section which would limit budget authority of this act to $1,670,000,000, the amount in fiscal year 1991. That is killed, that effort to limit spending would be killed, by a "yes" vote. A "yes" vote kills an effort to cut the Postmaster's budget by 50 percent. A "yes" vote kills a reduction in the official mailing allowance by $12 million. A "yes" vote kills a reduction in funds for franked mail by $21 million, and a "yes" vote kills a 2-percent across-the-board cut.

So do not think you can come in here and have a free procedural vote that nobody will know about, because the truth is that the Democratic leadership deliberately shaped a dictatorial rule to block 14 amendments that would cut spending.

Two weeks after telling us they were against a constitutional amendment to require a balanced budget because we need courage now, they designed a rule to block any effort to show courage now. So they do not want to cut spending in the future with a balanced budget amendment, and they do not want to cut spending in the present with 14 amendments which they made out of order.

Anyone who votes "yes" on this rule ought to expect to go back home for the rest of this year and explain why on each of these amendments you voted with a machine to protect the machine to block the cuts to ensure the perks, to keep the American people from having an up-and-down vote.

Let me say finally, to make in order amendments which are subject to a point of order is a peculiarly cynical thing.

Mr. SOLOMON. Mr. Speaker, I yield the remainder of our time to the most distinguished gentleman from Illinois [Mr. MICHEL], the Republican leader.

Mr. MICHEL. Mr. Speaker, may I first compliment the distinguished whip for the manner in which he laid out for us what the real issue is here today and the frustration, again, on our side that we do not have an open rule.

Earlier this day I dissuaded Members from opposing a unanimous-consent request for one of our distinguished committees to meet during 5-minute consideration of this bill, because we have very important business to attend to in that committee, but it would have served as leverage built on yesterday's objections to what is going on here today.

The case has to be made, as it was made yesterday under parliamentary tactics and procedures. Frankly, when you are in the box that we are put in we have no alternative but to resort to that kind of machination from time to time.

I, obviously, rise in opposition to the rule. The Democrat majority is setting a bad precedent today by restricting amendment to an appropriation bill. It is a sad day, again, for this House, for our country, when the majority party fears amendments and, therefore, restricts the rights of a minority or any Member on the majority side to offer them. And then one wonders why the public holds the Congress in such contempt?

Where is the danger or the harm, the sting in offering cutting amendments to appropriation bills? If someone wanted to cut the funds of the minority leader, I would gladly stand here and defend my office budget. I think I could do it in good conscience and, yes, I think I could offer you some turnback of that budget.

I am just saying that when I was on the Committee on Appropriations and we brought a bill to the floor, I supported the bill as far as I could, sometimes against cutting amendments from my own party. Other times I joined in attempts to cut or even led the way.

I find it outrageous for the majority party to say in their attempts to defeat the balanced budget amendment that the House did not really need that mechanism to show its fiscal discipline, and then turn around and restrict the right of any Member to cut an appropriation bill.

We have a thing around here called a Holman rule. There is a two-step process around here. We authorize spending, and then we appropriate. If we in the Committee on Appropriations found a challenge to the Holman rule, we exercised our right in those days to say the gentleman is violating that rule; you cannot legislate on an appropriation bill. You are here to cut spending. In those good old days, in my junior years around here, either, both parties, appointed conservative Members to the Committee on Appropriations, because they had the guts to say, "We are not going to appropriate every dime authorized. We are going to shave it down in line with what you can justify the spending for."

What we are getting away from here is giving Members the free opportunity in a normal appropriation process to simply express their will, and if you make a good case, you will carry it. If you make a bad case, you get voted down.

There are some of these amendments today I can support. Some of them I might very well have to raise reservations to, they are too far. I know even the one on the GAO, which I have got all sorts of problems with, I will make the argument at the appropriate time that perhaps a 20 to 30-percent cut is too much.

But give the Members an opportunity to express their will, and let us not be

so doggone afraid even in our own administration of our own body so that we can stand up here in good conscience when the time comes and make a case for or against the kind of spending that has to take place.

I think it is outrageous. I would ask my colleagues to vote down the previous question. Let us have an open rule.

Mr. SOLOMON. Mr. Speaker, I yield back the balance of our time.

□ 1310

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

Mr. Speaker, this is a legislative body. I think what the people of this country want as much as anything, and they have expressed it time and time again in polls that are taken throughout the country, is for us to operate in some orderly manner and accomplish our business. Of course, that is the purpose by and large, or one of the purposes, of the Rules Committee is to structure rules to allow for the representation to the House of bills, in this particular case of appropriations, so that Members will have an opportunity, maybe not to exercise every single option that they think may be necessary, but a reasonable number of options to get done with our business and then proceed on to the next matter that is before us.

The rule that is before us is a fair rule. There were 32 amendments submitted to the Rules Committee.

Now, obviously, anyone knows that we cannot consider 32 amendments on this bill. We would be here for a month trying to do it. So it is left up to the Rules Committee in its judgment to try working with the minority to shape this so that we may accomplish the business of the House. That is what the Rules Committee did.

Of these amendments, 5 were withdrawn, 2 were submitted late, so that brings us down to 25 amendments there for serious consideration. Of those, 12 were allowed under the rule.

Now, I concede that some of those are subject to points of order and that could possibly result in their not being considered.

Ten are Republican amendments and two are Democratic amendments. That does not sound to me like the majority is taking any unfair advantage of the minority.

As we consider that, we need to also consider that this bill has been worked down, down, down before it ever came to the floor of the House. It is 5.7 percent under 1992 fiscal outlays, 5.7 percent. That is a lot more than we cut the Defense budget. That is a lot more than we cut other things that I do not hear any particular complaints about.

Mr. Speaker, this is a responsible bill. The total appropriated is $20 million below last year's appropriations. Overall outlays which have direct impact on the Federal deficit will be reduced by $104 million under last year for the agencies covered by this bill.

Moreover, the total recommended in this bill is $295.4 million below the President's budget request, $295.4 million below the President's request.

This bill is coming to the floor 14 percent less than what the President of the United States requested.

The bill contains a hiring freeze; a $27 million cut in mailing costs; a $6.2 million reduction in congressional printing costs; an $8.2 million cut in maintenance and repairs; a $4.5 million cut for House supplies and materials; and a $1.2 million reduction in police costs.

There is also a freeze of the Congressional Research Service and all joint committees at last year's levels.

All of these cuts have already been made resulting in a bill that is 14 percent less then what the President of the United States asked that we pass.

This is a fair rule. I have already said that of the 12 amendments that are allowed, 10 are Republican amendments, 2 are Democratic amendments.

But in addition to that, the rule provides for a motion to recommit, and under that motion to recommit the minority can put in whatever their heart desires. They can put across-the-board cuts. They can do away with the Printing Office. They can do away with franking, whatever they want to do, and give this House an opportunity to vote on those matters.

So I suggest to you that this is a good rule. It is a fair rule and also the bill which we are going to ask you to consider is also a fair bill that cuts back.

If the amendment of the gentleman from New Hampshire [Mr. SWETT] passes which does away with the so-called slush fund business, it will be an over 6-percent cut.

Mr. Speaker, it is a fair bill, it is a fair rule, and I ask that you support it.

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

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

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

Mr. DERRICK. 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 254, nays 171, not voting 9, as follows:

[Roll No. 223]

YEAS—254

Abercrombie
Ackerman
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
AuCoin
Bacchus
Barnard
Beilenson
Berman
Bevill
Bilbray
Blackwell
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Rahall
Rangel
Ray
Reed
Richardson
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Scheuer
Schroeder
Serrano
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Waters
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron

NAYS—171

Allard
Allen
Archer
Armey
Atkins
Baker
Ballenger
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Bilirakis
Bliley

Boehlert
Boehner
Broomfield
Bunning
Burton
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coleman (MO)
Combest
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Early
Edwards (OK)
Emerson
Erdreich
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Hopkins
Horton
Houghton
Hunter
Hyde
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lowery (CA)
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Oxley
Packard
Panetta
Paxon
Petri
Porter
Pursell
Quillen
Ramstad
Ravenel
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—9

Bonior
Hefner
Holloway
Jones (GA)
McNulty
Savage
Schumer
Solarz
Washington

□ 1335

Mr. HORTON and Mr. DICKINSON changed their vote from "yea" to "nay."

Mr. CAMPBELL of Colorado changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

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

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

RECORDED VOTE

Mr. DERRICK. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 244, noes 179, not voting 11, as follows:

[Roll No. 224]

AYES—244

Abercrombie
Ackerman
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
AuCoin
Bacchus
Barnard
Beilenson
Berman
Bevill
Bilbray
Blackwell
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bryant
Bustamante
Byron
Cardin
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Pickett
Pickle
Price
Rahall
Rangel
Ray
Reed
Richardson
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Scheuer
Schroeder
Serrano
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spratt
Staggers
Stallings
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Wheat
Whitten
Wilson
Wise
Wolpe
Wyden
Yates
Yatron

NOES—179

Allard
Allen
Archer
Armey
Atkins
Baker
Ballenger
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Broomfield
Bruce
Bunning
Burton
Callahan
Camp
Campbell (CA)
Campbell (CO)
Carper
Chandler
Clinger
Coble
Coleman (MO)
Combest
Costello
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Early
Edwards (OK)
Emerson
Erdreich
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gekas
Gillmor
Gilman
Gingrich
Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Hunter
Hyde
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McDade
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Oxley
Packard
Panetta
Patterson
Paxon
Peterson (MN)
Petri
Porter
Poshard
Pursell
Quillen
Ramstad
Ravenel
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Sharp
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walsh
Weber
Weldon
Williams
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—11

Bonior
Gilchrest
Hefner
Jones (GA)
McEwen
McNulty
Savage
Schumer
Stark
Traxler
Walker

□ 1352

Mr. HORTON changed his vote from "aye" to "no."

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. FAZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 5427, and that I may include tabular and extraneous material and charts.

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

There was no objection.

LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1993

The SPEAKER pro tempore (Mr. GIBBONS). Pursuant to House Resolution 499 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5427.

□ 1353

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. 5427) making appropriations for the legislative branch for the fiscal year ending September 30, 1993, and for other purposes, with Mr. DONNELLY 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.

The gentleman from California [Mr. FAZIO] will be recognized for 30 minutes and the gentleman from California [Mr. LEWIS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. FAZIO].

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

Mr. Chairman, it is a pleasure to present H.R. 5427, the legislative branch appropriations bill for fiscal year 1993 to the House of Representatives. It is a pleasure in the sense that there is a certain amount of satisfaction in producing legislation that we think all the Members of the House can be proud of and support. It is also a fact that today we take up what some Members, I think the gentleman from California [Mr. LEWIS], my ranking Republican friend, has referred to as a process of self-flagellation.

There will be an awful lot of purple prose and partisan rhetoric, but when all is looked at in greater clarity, I think the House can be proud of the product it takes up today to vote on.

There is not going to be a carnival of amendments because of the rule. A number of them will not be in order, but there will be a number that, I think, are important and need to be debated and determined up or down.

I do not intend to go into every detail of the bill today. The report and the bill have been available for several days. I know that many Members and staff have gone over it very thoroughly.

But before we begin I do want to thank very heartily each member of the Subcommittee on Legislative.

First of all, the gentleman from California [Mr. LEWIS], my good friend, the ranking member who has worked very closely with us, perhaps more closely than ever before and yet obviously is not, as a representative and a stalwart member of the minority, completely satisfied with our product. But he is diligent. He is a friend, beyond everything else, and I want to thank him for his willingness to continue in this thankless task that he shares with me. There is nothing in this subcommittee's work that helps any Member at home in their district. So I want to say to my friends, the gentleman from Florida [Mr. SMITH], who has served with us for one term and is leaving, and the gentleman from Michigan [Mr. TRAXLER], my good friend who is leaving, and the gentleman from Florida [Mr. LEHMAN], who has also served just one term with this subcommittee and is leaving, how much I appreciate their interest and willingness to serve with us.

I want to thank the gentleman from Wisconsin [Mr. OBEY], who is, as we all know, one of those few Members who really puts it on the line for the Legislative Branch year in and year out, and the gentleman from Pennsylvania [Mr. MURTHA], who is also a stalwart friend of all on this committee, as well as the gentleman from Illinois [Mr. PORTER] and the gentlewoman from Nevada [Mrs. VUCANOVICH].

The gentleman from Illinois [Mr. PORTER] is one who is always helping us and does in many ways. And the gentlewoman from Nevada [Mrs. VUCANOVICH], who is a stalwart and regular attendee, gives us a voice we need to hear.

And obviously, the gentleman from Mississippi [Mr. WHITTEN] and the gentleman from Pennsylvania [Mr. MCDADE] as well, ex officio members of the subcommittee. We always work very closely with the Committee on House Administration, and I want to express my appreciation to the members and leadership of the committee, primarily the chairman, the gentleman from North Carolina [Mr. ROSE], the gentleman from California [Mr. THOMAS], and particularly the ranking minority member of that committee, the gentleman from California [Mr. THOMAS], who has cooperated with us on several issues today; the gentlewoman from Ohio [Ms. OAKAR] and the gentleman from Kansas [Mr. ROBERTS], both the chair and ranking member of the Subcommittee on Personnel and Police. As well should be mentioned the gentleman from Missouri [Mr. CLAY] and the gentleman from Nebraska [Mr. BARRETT], chairman and ranking member of the Subcommittee on Libraries and Memorials; and also our dear friend and former chairman, the gentleman from Illinois [Mr. ANNUNZIO] and the ranking member, the gentleman from Oklahoma [Mr. EDWARDS] on the Subcommittee on Procurement and Printing.

I think everyone here understands that despite the controversy that surrounds this bill, and it has always struck me that we can spend just a few minutes on the Defense Appropriations bill and yet hours and hours on the legislative branch bill, we are really and truly just a small part of the total budget picture. But we are one-third of the Federal system under the Constitution.

We enact laws, and we conduct oversight over the application of laws, while the executive, of course, spends the money and executes the programs, and the judiciary interprets and upholds the laws of the land.

Our spending is only about 16/100 of 1 percent of the entire Federal budget, and yet our activities are very significant and include not only the House and the Senate but significant support agencies such as the Architect of the Capitol, the Congressional Budget Office, the Office of Technology Assessment, and the Congressional Research Service.

There is also the agency that ferrets out waste, fraud and abuse and conducts financial audits of government programs, the GAO, the General Accounting Office, which will come under a proposed cut this afternoon, which I hope will be defeated.

We also have the Government Printing Office, the Library of Congress, of course, which serves by far the public much greater than the Congress itself, and the Copyright Royalty Tribunal. There are several smaller programs within our bill that we must mention: the very important Copyright Office, which is significant for many creative interests in our country; the Books for the Blind and Physically Handicapped Program; and the very important program, the Depository Library Program.

Members do not realize that we have local libraries in the Library of Congress budget more than the total budget for the Library itself.

□ 1400

That is an important point to make. Every year we fail to make it, and I am glad this year it has been cited.

Our bill, the bill we bring today, is $1.8 billion in budget authority for fiscal year 1993. That is a reduction of $19.9 million under the budget authority enacted and available in fiscal year 1992—a 1.1-percent reduction under a hard freeze.

These figures do not include Senate items which will, of course, be added when the bill goes over to the other body.

The budget request was $2.1 billion. It has been reduced by $300 million. That is a 14-percent reduction under the detailed requests submitted in the President's budget, submitted, of course, by the legislative branch agencies to the executive and passed through to us.

The key component in our overall effort to control deficits, in this case, as in all other appropriations bills, is outlays, actual payments and expenditures. When we appropriate, we only enact spending or budget authority. That is authority to obligate Federal payments for the expenditure of Government funds. So we also score our appropriation bills to measure what the actual expenditures or outlays will be as a result of the spending authority in the bill.

This $1.8 billion in spending authority is estimated to spend out $1.5 billion in actual dollar outlays in fiscal year 1993. That $1.5 billion is over $90

million less than the comparable dollar outlay enacted in last year's spending bill, and that is a very significant and important 5.6-percent reduction.

When total outlays are added up, this bill and the entire legislative branch of government will spend $1.7 billion ($1,718,447,000) in fiscal year 1993.

That is $104 million ($103,904,000) less than the current year—a reduction of 5.7-percent under 1992 spending for legislative agencies of the Federal Government.

I also want to indicate that under the Budget Act, our 602(b) allocation to the subcommittee was to be $2.343 billion. We are $534 million under that target, and once the Senate funds are added, we will be $20 million below that 602(b) target for budget authority.

We did a similar analysis on our outlay target. Our calculation is that the bill is about $92 million under the 602(b) outlay ceiling. If we can hold that level in conference with the other body, that will be a further contribution to deficit reduction. It goes beyond the budget summit agreement.

I would like to, at this point, present some graphic illustrations of legislative branch resources.

CHARTS 1 AND 2

Charts 1 and 2 compare legislative spending to the executive branch over the past 15 years, in constant dollars.

[Charts not reproducible in the RECORD.]

Chart 1 shows executive spending up from $1.1 trillion to $1.5 trillion.

Legislative spending down from $2.4 billion to $2.3 billion.

House spending up from $0.6 billion to $0.7 billion.

Chart 2 clearly shows the trends.

Executive spending trending upward at about 2.3 percent per year in real increases.

Legislative and House spending are virtually flat lines—no growth.

Chart 3 is a bar graph.

It shows the general government function—the administrative costs of operating the executive branch—growing at an annual rate of 7.6 percent in actual dollars.

Legislative spending is growing at 5.4 percent.

The CPI-urban index is up 5.5 percent per year.

Executive administrative costs have been growing almost 40 percent faster than CPI during this period of time.

Legislative costs are falling below the cost necessary just to maintain our current service level.

Chart 4 tells the story of chart 3 in recent times.

Since 1991, the legislative budget has grown by a total of 4.8 percent.

During that same time period, and based on the fiscal year 1993 requests included in the President's budget:

OMB will have grown by 12.7 percent.

The White House policy operation will have grown by 14.3 percent.

The average Cabinet department's administration will have grown by 18.4 percent.

And the Federal judiciary will have grown by 34 percent.

Chart 5 reflects employment statistics which reach pretty much the same conclusion:

The gap between Executive branch and Legislative employment is widening.

This trend began in the early to mid-80's and is continuing.

House staff has remained about the same during that period.

While we are on this subject, charts 6 and 7 show some interesting things about the mix of House staff since my first year as Chairman of this Subcommittee.

The three staff components, Members staff, committee staff, and other staff which is primarily our administrative support (office supply doorkeepers, floor staff, and so forth) have remained about the same.

There is a slight increase in Member's staff—but very minimal.

Chart 8 is a reflection of what we all know. It is a pie chart of all the ingredients of the legislative appropriations bill.

It tells us that 67 percent of our budget is for personnel.

Computers, telecommunications, electronic printing and the like account for 23 percent.

All other is 10 percent.

In other words, the entire legislative branch budget is primarily the salaries of the staff and the objects they need to do their jobs—telephone, personal computers, a desk, a chair and so forth.

Chart 9 shows how much our budgets depend upon having enough to pay staff an adequate salary.

The average Federal employee who earned $34,000 at the start of this year will be budgeted in fiscal 1992 at $42,948 to include the January 1992 COLA increase, a modest merit or longevity increase, and retirement benefits.

That "average" employee will be earning $36,172 at the end of this year after the COLA and merit increase.

That average employee will probably be eligible for next January's 3.7 percent COLA and another merit or longevity increase during the year.

That means the 1993 appropriation would have to be $45,392 to pay total compensation.

That's 5.69 percent over the amounts appropriated this year.

But we have applied a hard freeze—and then some—to our overall budget.

This normal salary progression for our employees, which is the situation throughout the government, has been totally ignored by the hard freeze proponents.

CHART 10—MAIL

Finally, we have some good news—a chart which shows how reform saves us money.

We reformed the use of congressional mail in 1991—the Fazio/Frenzel franking amendments.

These reforms have resulted in dramatic savings—over $100 million in just three years—as shown in this chart.

The red lines since 1990 are what mail costs would have been under the old rules—based on CRS and Postal Service projections.

The blue lines since 1990 show that actual costs have been or are currently being estimated.

The savings is $101 million.

That's savings we have either rescinded or did not have to appropriate.

As I have pointed out, the bill contains $19.9 million less than the current fiscal year 1992 appropriation. That decrease under the current level can be explained by its four components:

An addition $39 million is required for the current payroll of about 28,700 employees and the January 1993 COLA. Vacant positions were not funded, and we were not able to fund longevity or merit increases, or any promotions. To the extent those items cannot be cut back, they will be absorbed by the agencies.

We have to provide an additional $2.3 million for unavoidable price level increases, such as already negotiated building rentals. Over $1.3 million of the $2.3 million is for electrical and other utility bills which are based on public utility rates.

□ 1410

A net reduction of $53.9 million is necessary for workload items. Reduction required because of our 602(b) budget target and the requirement to pay our 1993 COLA and utility costs.

Some workload items were increases, others decreases. Overall there is a net decrease of $53.9 million.

There were some essential increases:

Library of Congress arrearage project	$3,200,000
Reading machines for blind and handicapped	960,000
LOC secondary storage facility	3,200,000
Depository libraries	2,000,000

The decreases required to meet target:

	Millions
Mail (net decrease under 1992 bill)	$27
Police overtime and salaries	1.2
Position and base reductions	24
Congressional printing	6.2
House supplies and materials	4.5

Finally, there is a net reduction of $8.2 million in equipment, alterations, maintenance, and repairs. As in workload items, a reduction is required to meet the budget target and the obligation to pay our 1993 employee COLA and utility costs.

There are a few repair, renovation, and equipment items that cannot be deferred. In the Architect's budget alone, we denied over $33 million in projects. But a few things have to be done:

St. Cecelia's day care center	$180,000
Elevator and escalator repair	1,000,000
Capitol dome drainage improvement	500,000
Plumbing and roof repair in the Capitol	1,100,000
Sidewalk and road repairs	425,000
Asbestos removal and renovation at GAO building (continuing project)	2,000,000

We have allowed $704.6 million for the operations of the House. This will cover the current payroll plus the January 1993 COLA. Since we are reducing the overall appropriation for the House by $9 million, the COLA increase will be absorbed by reductions in other expenses such as equipment, mail, printing, and computer costs.

The bill allows $79.5 million for joint items, including the Capitol Police, the joint committees of House and Senate, the guide service, and the attending physician. All the joint committees were frozen; we have cut back on police costs by $1.2 million.

There is $114.3 million for the Architect of the Capitol. That's a reduction of $10.3 million below 1992. In addition to the one-time projects that we were able to eliminate because they were funded last year, we had to reduce cyclical maintenance by $16.4 million.

I want to point out that Palm House at the Botanic Garden—the glass enclosed central portion of the building—had to come down because it has been found to be structurally unsafe. We don't have the funds for the reconstruction, although we have provided authority for private donations. In this bill, we are authorizing up to $500,000 from other project savings to do part of the design work for the conservatory renovation; $56.6 million is allowed for the Congressional Research Service, a freeze of last year's appropriation.

For the Library of Congress—non-CRS part—$249.5 million is allowed and authority to spend another $24.2 million in receipts. We allowed the $3.2 million requested for the arrearage project, $3.2 million for a facility to begin storing an overflow of the general and special collections, and sufficient funds for the talking books for the blind and physically handicapped. We have also released sufficient funds to continue research and development of book deacidification chemistry.

We have frozen the Government Printing Office at $118.7 million, last year's level. We have reduced last year's congressional printing reimbursement by $2 million in order to allocate more to the depository library program for the distribution of Government documents. As far as we are concerned, that is mostly a subsidy to the executive branch whose agencies should be paying for the cost of distributing their publications to our Nation's libraries.

For the General Accounting Office there is $442 million, plus $1.2 million in building rental collections are allowed. That's a $5.5 million reduction overall at GAO, and will force a hiring freeze—perhaps some reductions in force. All this while we see executive branch inspectors general budget requests up by anywhere from 4 to 25 percent.

Of the 255 new permanent positions requested, we allowed three which are paid for by copyright licensing receipts.

We have calculated that the restrictive funding in this bill will cause a reduction of 2,345 positions under the number now authorized.

Most agencies have already instituted a hiring freeze.

There are several provisions in the bill, most of which have been contained in previous bills. These provisions are mostly housekeeping in nature, and facilitate the operations of the House and our support agencies. We have added some additional franking reforms. One will repeal the outmoded two-page limitation on newsletters. Another will rescind the authority to send mass mailings outside our congressional districts.

To summarize, since 1978; the Consumer Price Index has increased 5.5 percent per year, on average; the legislative bill is up 5.4 percent per year. That is a decline in real terms. On the other hand, the executive branch budget is up 7.5 percent per year, that is a 41-percent higher rate of growth than the legislative budget.

Since 1981 when I became chairman of the Legislative Subcommittee; the legislative bill has gone up 5.7 percent per year. While the General Government functions, the administrative costs of running the executive branch, has grown 7 percent per year.

This is easily the most fiscally stringent legislative appropriations bill presented to the House in memory—maybe even in history.

It is necessary for us to set the example—show the way to fiscal balance.

I think every Member of the House has good reason to vote "aye" on final passage.

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

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I might consume.

Mr. Chairman, initially I presumed I would be rising to suggest that this was a very tight budget, but after watching that introduction by my chairman, I wonder if we should not be a little tighter on my bill relative to the account that we apply to charts.

Having said that, ladies and gentlemen of the House, this is as we all know a very, very difficult year for those of us considering appropriation bills, that in no small part because the country is focusing in a very special way upon the amount of taxpayer dollars that we choose to expend here, and that in no small part is a reflection of the reality that our economy is in difficult straits and people clearly recognize that if we are going to turn around our economy, impact in a positive way the job market out there, we must begin in a serious fashion to do more than just talk about the national deficit.

The deficit this year alone is anticipated to be somewhere in the neighborhood of $400 billion. It is very clear to all of us that we must take a serious look at every appropriation bill in order to make certain that we are making our contribution through that process to reducing this ever-growing national debt.

This bill is a relatively small bill compared to the other 12 in the appropriations process. It represents something less than $2 billion, but it is that appropriation bill whereby we fund the activities of the House of Representatives and related agencies.

A tough bill in a tough year. Mr. Chairman suggested that it had been a great pleasure for he and I to work together over the years. Indeed, we have enjoyed our own relationship working on this committee. On the other hand, being a considerable privilege carrying the bill is another thing entirely, for the Members do focus on the legislative branch in a very special way, and they understand these appropriations as well as any of the bills that come before us. Because of that, some very careful attention is paid to the details of this bill. We find ourselves often with amendments to cut specifics after the committee has done its work.

This year I believe we see the culmination of a series of years efforts to develop a pattern of reducing spending within the legislative branch. It is important that the public know that this is more than just money to finance our staff. Within this bill we fund the Botanical Gardens and the Library of Congress. For example, the Library of Congress is appropriated $248 million, and probably somewhere in the neighborhood of 70 percent of that money has little to do directly with the Congress, but rather is of service to the public in general. We fund the General Accounting Office and the Government Printing Office, among other things.

The bill we have before Members, as I suggested, is a reflection of a pattern and effort to cut back spending over a period of years. Between 1988 and this appropriation year, the expenses available for expenditures available for mail, for example, on the part of Members will have been reduced by a full 50 percent. There has been a significant effort made by us to reduce the volume of mail and the dollars available for that mailing which is unsolicited mail to our constituents throughout the country.

The official expenses of the Members have been cut by almost 5 percent, a

consistent effort to reduce the tendency to grow in all of our Government agencies, including this one, the legislative branch.

So I am very pleased to bring to the membership today a bill that we consider to be a very tight bill. It is some 5.6 or 5.7 percent below actual outlays of the current year. Indeed, it will reflect some $90 million of savings.

I might say to the Members, and I might also share with any of our staff members who might be watching by way of C-SPAN or otherwise, that this bill very much reflects a problem that we had not very long ago, just a few weeks ago, within the Legislative Branch Subcommittee where we reprogrammed some money, some $8 million of money, from one account to another. We did so because otherwise between now and the end of the fiscal year individual Members would have had to lay off employees because of a lack of availability of funds within that staff account. Members would have had to literally layoff one to as many as four members in some cases of their staffs because funding was so tight within that legislation.

So this is a tight bill, and I think all of the Members as well as their staffs should focus upon the reality that as this bill goes forward, next year should we have that sort of difficulty we may not be able to solve the problem by way of reprogramming.

Let me suggest that there is another item within the bill that Members should pay careful attention to. Some 3 years ago there was language put into the legislative branch bill that would allow moneys that were unexpended to remain until expended. Some Members suggested that a slush fund that might be made avaiable for the exercise of some of the leadership within the House to carry forth their will. Regardless of how one would define its potential use, this bill provides language that eliminates the potential for that kind of long-term accumulation. The bill will allow moneys that are a part of the authorization for the current year that is involved to be held in account for 3 years, until all bills are paid, but not in an unending accumulation of capital within this legislative branch bill.

□ 1420

Mr. Chairman and Members, this is a very tight bill. I urge the Members to consider it seriously, and at the end of the day, I hope that we will have their support.

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

Mr. FAZIO. Mr. Chairman, I yield 4 minutes to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Chairman, I would like to engage in a colloquy with the distinguished gentleman from California, the chairman of the Committee on Legislative Branch Appropriations and the distinguished gentleman from Virginia.

Mr. Chairman, it has come to my attention that the Library of Congress is about to accept a grant of $500,000 a year for 3 years from the Japan Foundation's Center for Global Partnership which is funded by the Government of Japan through the Japanese Diet. The purpose of the grant is to expand the Library's collection of difficult to obtain information concerning recent developments in Japan, to establish a Library collecting facility in Tokyo, and to establish a Japan documentation center in the Library of Congress. This idea of the Library of Congress accepting major money donations from foreign governments is of recent vintage. In fact this gift was preceded in 1991 when the Library of Congress accepted $1 million from the Government of Korea.

Though I do not disagree that the Library should augment its Japan collection, I object strenuously to the Library's apparent new policy of accepting major funding that comes directly from a foreign government, or any instrumentality of that foreign government. These gifts could be used as a means of influencing the type of information that is made available to the American public or to pressure the Library to avoid presenting any negative information on the country making the donation. Nor do I agree with the recent policy of the Library to depend for a growing share of its activities on sources of foreign funding to build collections and exhibitions. There must be a clear policy that this Library is owned and paid for by the citizens of the United States.

Mr. WOLF. Mr. Chairman, will the gentlewoman yield?

Ms. KAPTUR. I am happy to yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I agree with Ms. KAPTUR. The Library and its collections belong to the people of the United States and the procedure of allowing the Library of Congress to accept private gifts of this type, from foreign sources, could compromise the integrity and objectivity of the collections process.

Ms. KAPTUR. I, therefore, request that at a minimum, the American public have a mechanism in place so that the Congress can monitor these foreign gifts to the Library. Thus I request that the Librarian of Congress, not later than December 31 of each year, shall submit to the Congress, with respect to the preceding fiscal year, a report of all foreign gifts on funds accepted by the Library, together with a statement of all conditions placed on such gifts.

Further, the Librarian of Congress, not later than 60 days following enactment of this bill and not later than December 31 of each year, shall submit to the Congress, with respect to the preceding fiscal year, a report of the annual increase in donations by country from which the gifts are accepted, spanning a 10-year time period beginning in 1982, to show the trend in foreign gift giving.

Mr. FAZIO. Mr. Chairman, will the gentlewoman yield?

Ms. KAPTUR. I am happy to yield to the gentleman from California.

Mr. FAZIO. I recognize the increase in foreign gifts to the Library of Congress by foreign governments and other sources and agree that it would be good to have a mechanism in place to monitor foreign gifts received by the Library of Congress. I agree that this should be reported by the Librarian to the Congress. I will attempt to include this matter in the conference agreement with the Senate. In the meantime, I would like to submit for the record a letter from the Librarian of Congress of June 20, 1992, agreeing to provide a report annually on funds from foreign sources received by the Library of Congress.

THE LIBRARIAN OF CONGRESS,
Washington, DC, June 20, 1992.

Hon. VIC FAZIO,
Chairman, Subcommittee on Legislative Branch, Committee on Appropriations, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: In light of concerns raised over the Library's acceptance of gifts from foreign governments and foreign-owned entities, I want to assure you that I am willing to report on an annual basis to the Congress on the purpose, amounts and use of gifts from foreign governments and foreign corporations.

Under 2 U.S.C. Sec. 160, I am authorized to accept gifts in the interest of the Library, its collections, or its services. Under 2 U.S.C. Sec. 156, I am already required to obtain formal approval of the Joint Committee on the Library as well as the Library's Trust Fund Board for gifts to the trust fund, and must report annually on gifts received.

If there are additional concerns and would like to discuss the matter, please contact me at your earliest convenience.

Sincerely,

JAMES H. BILLINGTON,
The Librarian of Congress.

Ms. KAPTUR. Mr. Chairman, I thank the Chairman very much for his assistance.

Mr. LEWIS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GOODLING] for purposes of engaging in a colloquy with the chairman of the subcommittee.

Mr. GOODLING. Mr. Chairman, as you are aware, the Library of Congress has notified the National Park Service that the loan agreement for the Library's drafts of Lincoln's Gettysburg Address will be terminated. As you know, the two drafts in the custody of the Library of Congress have been loaned to the Gettysburg National Military Park for exhibit since 1979. The Gettysburg National Military Park has met every protective requirement specified by the Library of Con-

gress which has also praised the high standards and innovative techniques used to display this important document. Many of us believe Gettysburg is the most appropriate location for the display of these historic documents and do not believe the loan arrangement should be terminated.

As the chairman knows, this issue is currently being addressed by the Joint Committee on the Library which has jurisdiction over such matters. I am confident that the joint committee will be able to resolve this situation, but it was not able to arrive at a resolution before this bill was approved for floor consideration today.

It is my understanding the chairman and the committee are also committed to securing an equitable resolution to this issue consistent with past congressional action, which served to allow millions of Americans who visit Gettysburg the opportunity to view this historic and inspirational document. Is it correct that the committee will address this issue during the future conference committee with the Senate?

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I am happy to yield to the gentleman from California.

Mr. FAZIO. The gentleman from Pennsylvania is correct. The committee has been informed that the Joint Committee on the Library has been asked to review this matter. If the joint committee agrees that an accommodation should be reached which continues to allow the public to view them at Gettysburg we will try to accommodate the needs of the gentleman and the Joint Committee on the Library when the bill is considered in conference.

Mr. GOODLING. I thank the gentleman for his assurance.

Mr. FAZIO. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. KENNEDY] for a colloquy.

Mr. KENNEDY. Mr. Chairman, first of all, let me thank and commend the chairman of the committee for work that he has done on behalf of all of the citizens of our country with regard to energy conservation.

Mr. Chairman, as you know, I was in the energy business in Massachusetts before I came to Congress. One of the many businesses I started was an energy conservation company.

In my view, there is no reason why our Capitol can't be a model of energy efficient. There are a number of demand-side management measures which could be implemented to make our Capitol more energy efficient and save the taxpayers millions of dollars in energy costs over the next decade.

The Architect of the Capitol, for example, could work with energy service companies, which would in turn work with Pepco, to implement conservation projects here at the Capitol. In addition to saving energy, these companies could implement shared-savings contracts and receive rebates directly from Pepco. These savings could be used to reduce the capital costs of conservation improvements—and the need for direct appropriations—by anywhere from 30 to 50 percent.

A preliminary survey of the potential for savings indicates a capital investment of $7 million could yield annual savings of up to $3 million.

I ask the gentleman from California (Mr. FAZIO), does he agree that the Architect of the Capitol should be directed to request Pepco to develop an energy management proposal for the Capitol?

□1430

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. Certainly, I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, the gentleman from Massachusetts is absolutely correct that substantial savings can be achieved through the type of cost-shared investments in conservation improvements he has outlined. The gentleman from Massachusetts has for years urged, and the committee had directed, the Architect to develop plans for conservation improvements throughout the Capitol complex, and I agree with the suggestion of the gentleman that the Architect of the Capitol should be directed to ask Pepco to develop an energy management proposal to identify cost-effective energy conservation improvements for those buildings subject to his jurisdiction.

The gentleman from Illinois [Mr. PORTER] and members of the subcommittee have been working long and hard on this for years, but the opportunity to get upfront capital to finance this project totally from nonappropriated funds, does make it important that the Architect of the Capitol work on this issue diligently during this fiscal year.

I appreciate the gentleman bringing it to our attention.

Mr. KENNEDY. Mr. Chairman, I thank the gentleman.

Mr. LEWIS of California. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I commend my chairman, the gentleman from California, my ranking member, the gentleman from California also and members of the subcommittee and the staff for the efficient work and generally good bill that has been produced.

Mr. Chairman, I want to join my colleagues on this side of the aisle in condemning the rule that prevents Members from offering certain amendments. At times the majority acts unreasonably and unconscionably to restrict the debate and the possibility of reform, and Mr. Chairman, this is clearly one of those times.

Mr. Chairman, turning to the specifics of this bill, I would like to point out that when we talk congressional reform, we must look not only at ferreting out wasteful practices, but that reform includes promoting new, innovative and positive developments. In this regard, I am particularly proud of several of the commitments made in this legislation.

I am pleased that the Architect of the Capitol, the Government Printing Office, and the Joint Committee on Printing have all addressed the concerns of the subcommittee by joining in recognizing the importance that we place on meeting environmental responsibilities.

The Architect's recycling program is now being fully implemented and will soon be operational in all offices. Also, by direction of this subcommittee, the Architect will begin the installation of energy efficient lighting for the garages and exit lights. We can save as much as 35 percent of the energy costs that we currently incur as a result of this innovation.

I commend my chairman for his strong support of these initiatives.

These two initiatives are important too, because they force us to appreciate the demands that present and new environmental legislation place on municipalities and private companies. We will learn firsthand what it means to participate and be part of the solution, rather than watching from the sidelines. No reform of this body is more important than to force us to follow the same rules we make for others.

This is what the Congressional Accountability Act, which I have cosponsored, is all about.

Another area where the subcommittee has broken new ground is in working with the Government Printing Office to ensure that the Government is purchasing, to the greatest degree possible, recycled paper with a postconsumer waste content. Mr. Speaker, the chairman of the Joint Committee on Printing has been very helpful in coordinating our efforts to increase the GPO's use of such paper and deserves the commendation of the Members of this body for his leadership. In this regard I note particularly the Joint Committee's collaboration with the Government Printing Office to test the use of postconsumer waste recycled paper for IRS documents. All Members should be proud of these accomplishments as we continue to push the edge of the envelope with respect to our duty to more efficiently and sustainably utilize our resources, both physical and financial.

Mr. Speaker, a number of amendments did survive the rule and will be offered to this legislation today. I will support some, and I will oppose others. As a member of the minority it is an understatement to say that I am not entirely pleased with the way this body

is run. I do not think that the legislative appropriations bill is the most appropriate place to offer some of these amendments, but unfortunately there is little choice. For the legislative branch, unlike other areas of Government, is not subject to regular authorizing legislation. Highway programs, the National Institutes of Health, the Department of Defense, and all other Federal activities are subject to regular authorization. Thus, policy matters related to these functions may be addressed through the authorization process on a regular basis. This is not the situation with the legislative branch. Authorization for most policies and practices is essentially permanent and subject only to discretionary and occasional change. Thus Members view this bill as the only chance they have to vent their frustration with many aspects of legislative operations policy. This is why a restrictive rule is an unfair rule.

In many areas of Government, Congress has failed to exercise its responsibility to conduct oversight. Congressional oversight might have prevented the S&L debacle, the HUD scandal, and the late uncovering of an "M" account at the Air Force, to name just a few examples. So too, better oversight of the House might have avoided the bank and post office scandals. What is needed in this body is a clear commitment to oversight—to making things work better regardless of party label or ideology. We took a step in this direction with adoption of the reform resolution a few months ago, but we need to buttress that effort with a continuing commitment to actually running things better. Such a commitment would render many of today's amendments unnecessary. Indeed, many of the amendments would not be offered if Congress did not today stand in disrepute as a result of its oversight failures.

Mr. Speaker, having a finance office that promptly processes vouchers is not a partisan issue, its a matter of common sense. So is having a bank that reconciles people's balances and disallows overdrafts, a food service that keeps proper books, an auditing and accounting system that tracks small expenditures, a post office that focuses on effective mail delivery, and a GAO that makes intellectual integrity its watchword. In short, insisting that the operations of the legislative branch are conducted efficiently, properly, legally and appropriately is not a partisan or ideological matter, but simply a question of common sense. These issues have become partisan and ideological because of the majority's failure to exercise oversight over a period of many years. Unless those who are in charge—the majority party—are willing to relinquish the patronage jobs and political advantage, the attacks upon this institution will continue and amendments such as some of those being offered today will continue to proliferate.

Mr. FAZIO. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I rise in support of H.R. 5427, the legislative branch appropriations bill. This is the third of the 13 appropriation bills that have been brought to the House.

This bill provides for about $1.8 billion in discretionary budget authority and $1.8 billion in discretionary outlays.

I want to point out to the House that this is $534 million in budget authority and $551 million in estimated outlays less than the 602(b) subdivision that was provided for the subcommittee.

Obviously, these committees have to make very tough decisions as they deal with what are increasingly restricted spending levels that have been provided pursuant to the budget agreement and pursuant to the budget resolution.

I want to commend the chairman and the ranking member for the kind of decisions that they have had to make in this bill and for bringing this bill to the House in a timely fashion.

I just want to urge Members to look at the tough decisions that have been made, and the fact that this bill is well below the outlay levels that were established and the budget outlay levels that were established by the budget resolution, and for that reason urge support for the bill on final passage.

I rise in support of H.R. 5427, the legislative branch appropriations bill for fiscal year 1993. This is the third of the 13 annual appropriations bills.

The bill provides $1,809 billion in discretionary budget authority and $1,841 billion in discretionary outlays. This is $534 million in budget authority and $551 million in estimated outlays less than the 602(b) subdivisions for this subcommittee. In keeping with tradition, Senate items are excluded from the House bill.

I commend the chairman and ranking member of this subcommittee for bringing this bill to the House in a timely fashion.

As chairman of the Budget Committee, I will inform the House of the status of all appropriations bills compared with their 602(b) subdivision as they are considered on the House floor.

I look forward to working with the appropriations committee on its remaining bills.

COMMITTEE ON THE BUDGET,
Washington, DC, June 22, 1992.

DEAR COLLEAGUE: Attached is a fact sheet on H.R. 5427, the Legislative Branch Appropriations Bill for Fiscal Year 1993, scheduled to be considered on Tuesday, June 23rd, subject to a rule being adopted.

This is the second of the thirteen annual appropriations bills for Fiscal Year 1993. The bill is $534 million in budget authority and $551 million in outlays below the 692(b) subdivisions for this subcommittee. The bill is 1.1% in budget authority and 5.7% in outlays below the Fiscal Year 1992 Appropriations Act. In keeping with tradition, Senate items are excluded from the House bill.

I hope this information will be helpful to you.

Sincerely,

LEON E. PANETTA,
Chairman.

Factsheet

H.R. 5427, LEGISLATIVE BRANCH APPROPRIATIONS BILL FOR FISCAL YEAR 1993 (H. REPT. 102-579)

The House Appropriations Committee reported the Legislative Branch Appropriations Bill for Fiscal Year 1993 on Thursday, June 18, 1992. This bill is scheduled to be considered by the full House on Tuesday, June 23, 1992.

COMPARISON TO THE 602(b) SUBDIVISION

COMPARISON TO DOMESTIC SPENDING ALLOCATION

The bill provides $1,809 million of discretionary budget authority, $534 million less than the Appropriations 602(b) subdivision for this subcommittee. The bill is $551 million under the subdivision total for estimated discretionary outlays. In keeping with tradition, Senate items are excluded from the House bill. A comparison of the bill with the funding subdivisions follows:

[In millions of dollars]

	Legislative Branch Appropriations Bill		Appropriations Committee 602(b) Subdivision		Bill Over (+)/Under (−) Committee 602(b) Subdivision	
	BA	O	BA	O	BA	O
Discretionary	1,809	1,841	2,343	2,392	−534	−551
Mandatory[1]	88	88	88	88	.....	.....
Total	1,897	1,929	2,431	2,480	−534	−551

[1] Conforms to the Budget Resolution estimates for existing law.
BA = New budget authority
O = Estimated outlays

Following are major program highlights for the Legislative Branch Appropriations Bill for fiscal year 1993, as reported:

PROGRAM HIGHLIGHTS

[In millions of dollars]

	Budget authority	New outlays
House of Representatives, salaries and expenses	704	599
Congressional Budget Office (CBO)	23	20
GPO—Congressional printing and binding	90	88
Congressional Research Service	56	51
Library of Congress, salaries and expenses	193	140
General Accounting Office (GAO)	442	386

The House Appropriations Committee filed the Committee's subdivision of budget authority and outlays on June 11, 1992. These subdivisions are consistent with the allocation of spending responsibility to House committees contained in House Report 102-529, the conference report to accompany H. Con. Res. 287, Concurrent Resolution on the Budget for Fiscal Year 1993, as adopted by the Congress on May 21, 1992.

Mr. LEWIS of California. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. HANCOCK].

Mr. HANCOCK. Mr. Chairman, I thank the gentleman from California for yielding me this time.

Mr. Chairman, here we are with a legislative appropriations bill which will provide over $2 billion, just for the operation of the Congress.

If there is anyplace Congress can and should do more spending, even symbolically, it is with spending on ourselves.

Two billion dollars, 32,000 employees, 274 committees and subcommittees, un-

told numbers of task forces, caucuses and congressional bureaucracies; spending on Congress, like the Congress itself, in my judgment is out of control. It is proof of how out of touch this body is that so few of us seem to think that $2 billion is maybe a little bit too much.

I feel that we could exercise a little more restraint, even though I do acknowledge the fact that we have at least started on the road to a little more fiscal responsibility, just not far enough.

Mr. LEWIS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Chairman, this House debated the military construction budget yesterday. One Member said the way to cut construction costs by an additional 1 percent was to cut overhead.

Today's congressional appropriation is all overhead. Unlike the military construction budget, this bill does not provide housing for America's soldiers. Unlike the Coast Guard, this bill does not save 13 people a day. It does not carry the mail, does not patrol the parks, does not clean up hazardous waste.

This bill provides the overhead of the U.S. Government. It is time overhead was cut.

The committee claims that the cost of congressional operations has been restrained—it has hardly gone up at all since 1978, will be the contention.

The cost of congressional operations should be down. We deal in paper. And with advances in computers, the cost of pushing paper should be down.

Mr. Chairman, important programs, programs that deliver services to the American people, programs that build roads, defend our shores, and save the children are all going to be cut.

Mr. Chairman, before we do that, let us cut the overhead of this Government. Let us cut it now, and let us cut it severely. We are looking at a $400 billion deficit, a deficit that I believe the gentleman from California [Mr. PANETTA] was so concerned about, as we all were, and yet many voted against the balanced budget amendment.

I heard then plea after plea, "Let us get serious. Let us cut the budget."

Yes, I admit this committee has made an attempt. Yes, I see the cuts. Yes, I see the percentage cuts. I am not questioning that. I think, though, because we are dealing with overhead, we could significantly cut more.

Mr. LEWIS of California. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. SANTORUM].

□ 1440

Mr. SANTORUM. I thank the gentleman for yielding this time to me.

Mr. Chairman, let me first start by congratulating the chairman and the ranking member. When someone does good things, I am not the first to deny that they have, and there are some good things that were done here in this bill and I want to congratulate them for doing so. They eliminated the no-year funding provision, which was something I went to the floor and spoke about a few months ago. That is now no longer in the bill, and I commend them for that. They did make some reduction in some of the accounts. Again, I commend them for that. They started in the right direction.

But I would be remiss if I did not say that I do not think we have gone quite far enough when it comes to many of these accounts, which frankly are overfunded even at this austere level that has been talked about on the floor.

One area which I think is probably the most bloated is the franking account. Now, I went to the Committee on Rules 2 days ago and asked for an amendment to reduce the franking account down to the same level, actually $2 million above the level that we as a Congress spent in 1991. Remember, this appropriation is for 1993. So this would be a similar year, an off-year election. I wanted to come in with a number that was basically the same number as we spent 2 years ago. There would be no reason, as I understand, why anyone, any new Member of Congress or any Member of Congress who came back, who would want to spend that much more. Yet we are appropriating over $20 million more in that account than what was spend in 1991. There is no reason for that. The only reason I can think of is we would like to have some money sort of laying around just in case we need to reprogram it for one desire or another out of the hands and out of the watchful eye of the public and out of the control of the people here in the Congress making the decisions today; but in the control of the Subcommittee on Legislative Appropriations. I just think that is wrong. I think that gets away from accountability. It gets to the kinds of things that I think the people in America are tired of. We should have these things out in the open being discussed.

Another thing I was disappointed in, and I would get to the rule a little later, unlike all the other bills that I suspect we will be seeing a lot of across-the-board cuts in appropriations. We have seen them offered by the Democratic side of the aisle here for the last couple of bills. We have seen those offered by the Democratic side of the aisle as across-the-board cuts. Yet, unfortunately, under the rule, we do not have any across-the-board cuts. In fact, of the amendments made in order by the Committee on Rules, only four of them actually reduce spending. Over 15 were offered. No across-the-board cuts were made.

I should stand up here and I should be very happy because two of the three amendments that I offered in the Committee on Rules were accepted. The only point is the amendments that were made in order are subject to a point of order and they did not waive that.

So, I suspect, and I hope that I am wrong, when I get up to offer my amendment on the floor, that the gentleman from California will not rise and make a point of order and will allow me, as was, I am sure, the intent of the Committee on Rules, will allow me to stand up and offer what was made in order by the Committee on Rules, and that is to do a study on space in the House here in the Capitol and the House office buildings.

Mr. LEWIS of California. Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding this time to me because I was just up discussing with the parliamentarian something which happened as a result of the rule. That is that because of the process we have used here, we have now adopted language on page 34, "provided" language, which goes to section 305 of the bill, which, as I understand it, cannot be discussed, cannot be amended, will not even be read by the Clerk later on today as we are reading through the bill, but yet it changes materially the section 305 into something that is completely nonsensical in nature. There is absolutely no way we ought to be providing for "that no amounts may be transferred before the date of enactment of the act authorizing the use of funds for that purpose," when the whole section goes to the question of "no part of any appropriation of this act or any other act shall be used for acquisition."

Now, you know, we have managed now to become a laughingstock with some of the bills we have. You now have language here which is totally nonsensical and the House is going to be asked to act upon it because we cannot even do something to correct it or amend it on the House floor.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman.

Mr. FAZIO. I thank the gentleman for yielding.

Mr. Chairman, there was a clerical error made in submitting that amendment to the Committee on Rules, which could be easily corrected if the gentleman would allow a unanimous consent request in the full House when we complete the work of this bill.

I appreciate the gentleman's very close reading of the bill. He has found a technical mistake that certainly, hopefully everyone will allow to be fixed when the time comes. It just puts the language of section 306 in compliance with the authorizing committee's

purpose. Their amendment requires a minor technical adjustment.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume, to say that indeed we will watch with care the way the gentleman handles the procedural process of amendments before us, approved by the Committee on Rules, to see whether he exercises points of order to eliminate discussion, before we make a decision regarding such things as a unanimous-consent request.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman.

Mr. FAZIO. I thank the gentleman for yielding.

I think, in general, I am prepared to allow some discussion before I do move to terminate. But I do think that would also require some on your side to cooperate in other procedural ways as we proceed through the bill.

Mr. LEWIS of California. We are beginning to find that this is a process of termination around here.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, I think it is fascinating. We are supposed to allow them to clean up the bill by unanimous consent when in fact what they have done is stripped the minority of our ability to strike sections of the bill that we thought were completely within our rights to deal with. And I would tell the gentleman I do not think this should be done by unanimous consent. It is the kind of thing which is precisely why we should not operate in this kind of a manner. I am told, for example, that under this process we cannot move to strike the last word, even. That has been taken away from us as well. We cannot even debate these matters. That privilege has been taken away not only on this side but on the other side.

Mr. FAZIO. If the gentleman would yield, the gentleman has always been a staunch defender of the authorizing committees throughout this career here. I have heard him speak on the energy and water bill just the other day. All we are trying to do is accommodate the authorizing committee here. They submitted some language that was not perfect. We certainly would like to fix it. But if the gentleman wishes to object, we certainly would have to find another time and place to do it.

Mr. WALKER. As the gentleman knows, this could have been corrected easily if they would allow us to go by the regular process instead of this process.

The CHAIRMAN. The gentleman from California [Mr. LEWIS] controls the time at this point.

Mr. LEWIS of California. Mr. Chairman, the gentleman from Pennsylvania is making a very important point. It is very clear that we have a precedent here insofar as the rules are concerned, whereby the majority appears to plan to use the Committee on Rules to limit debate and amendments on appropriations bills, a precedent that is most unusual and indeed could have a very big impact upon the direction of the national economy.

But by way of closing, Mr. Chairman, let me suggest I very much have appreciated the support I have had from Members on my side of the aisle on this committee, where we do the very difficult work of appropriating moneys for the workings of the House. The gentleman from Illinois [Mr. PORTER] and the gentlewoman from Nevada [Mrs. VUCANOVICH] have been extremely helpful Members, and I appreciate their assistance.

Beyond that, as my chairman indicated earlier, we have very fine staff on both sides of the aisle who are fully cooperative in a bipartisan sense.

I have very much appreciated my chairman's willingness to be responsive to our efforts to cut back the spending on this bill, for indeed if we are going to set an example for the country, the first place to begin to set that example is in the appropriations for the legislative branch itself.

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

Mr. CRANE. Mr. Chairman, for the record I want to register my disgust with the Democratic leadrship of this House for the manner in which it limited amendments to the legislative branch appropriations bill for fiscal year 1993. I do not understand why the Democrats would choose to limit the ability of Members of Congress to offer amendments to this bill, when historically the bill has had an open amendment process and when the American people are begging us to clean up our own house.

The effort to restrict our ability to offer amendments, particularly amendments to cut spending, is also a rather hypocritical act when one considers the recent debate that occurred on the floor of the House. Not too long ago this Chamber defeated a constitutional amendment mandating a balanced budget amid the pleas and cries of many Members that it was unnecessary. It was argued that, despite this body's propensity to endlessly spend taxpayer dollars, it was not necessary to cement fiscal responsibility into law because Congress already has the ability and, more importantly, the desire to practice safe legislating on their own, without any tampering with the Constitution. That was the argument made by many of my colleagues and today I am calling them on their promise. This is, as they say, the day of reckoning—an opportune time to demonstrate to the American people the commitment and dedication this body has to providing a better future for our grandchildren than the one currently promised them under a $4 trillion black cloud of debt. Indeed, what better way to start than by cutting spending that directly affects us—the budget for Congress.

There was a lot of talk on the floor 2 weeks ago about the necessity of balancing the budget, cutting spending, and reducing the deficit. Well, the American people have heard enough talk. Understandably so, they want some action. Today, I challenge my colleagues to help restore the credibility of this institution by voting with a thought to the future of our country. We have a unique opportunity today to convince our constituency, and ourselves, that we can produce a balanced budget and we can curb the Federal Government's runaway spending. Let's not blow this opportunity with more hot air. I say to my colleagues who voted against the balanced budget amendment while confessing that Congress can and will cut spending without a constitutional mandate, "Go ahead, make my day!"

Mr. RAMSTAD. Mr. Chairman, I rise in opposition to H.R. 5427, the legislative branch appropriations bill for fiscal year 1993.

Mr. Chairman, 2 weeks ago, the House rejected four different proposals to add a balanced budget amendment to the Constitution. Opponents argued that courage on the part of Congress—not a constitutional amendment—was necessary to balance the budget.

I agree with them in one respect: It will take courage to balance the budget. And today, Congress had an excellent opportunity to display this courage by reducing its own spending in this bill. Yet, once again, it failed to do so.

Earlier this week, I offered an amendment before the Rules Committee to reduce the bill's spending to the level passed by the House for fiscal year 1991. This amendment would have cut spending for congressional operations by 7.6 percent, a savings of more than $138 million for the taxpayers.

Why fiscal year 1991 levels?

Like many of you, I have listened to our colleagues on the Appropriations Committee argue that the spending level of H.R. 5427 falls below the appropriations level for fiscal year 1992.

What our colleagues do not mention is that their 1992 baseline of $1.829 billion is the result of significant increases put in by Congress. As you will see, the process by which these funds were added is not only fiscally irresponsible, but confusing as well.

On October 20, 1990, the House passed a $1.671 billion appropriations bill for fiscal year 1991. The conferees then added another $70 million, a 4.2 percent increase over what the House had already approved for the needs of itself and other legislative agencies.

Then, for fiscal year 1992, Congress tacked on an additional $88 million, a 5.1 percent increase over the previous year's appropriations. These increases led to the $1.829 billion we are spending this year, a full $158 million more than the House originally determined it needed for fiscal year 1991.

And what have these additional funds gotten us over the last 20 months?

Continued failure to balance the Federal budget. Ethics problems. The inability to pass economic growth legislation. No wonder the voters are angry.

It's time to redeem ourselves—not through vague proposals on budget reform, but

through sound fiscal policy. And where better to start than with this body?

While a $138 million reduction may seem like a drop in the bucket compared to a $400 billion deficit and a $4 trillion national debt, it would have been a sign to the American people that Congress is ready to begin balancing the budget.

I'm disappointed to see that once again, Congress has refused to do that. Our children and grandchildren deserve better.

I urge my colleagues to vote against the bill.

Mr. McDADE. Mr. Chairman, the legislative branch bill is the third fiscal year 1993 appropriations bill before the House this year. This bill makes clear that the Budget Enforcement Act of 1990 does impact the appropriations process.

It has imposed considerable discipline; spending constraints are real and they are difficult.

Mr. Chairman, I take this opportunity to commend the chairman and the ranking minority member of this subcommittee. Theirs is a thankless task, and one which has little positive impact back home in their districts.

They have worked diligently to craft a tight bill.

This is the only appropriation bill which funds one of the three branches of the Federal Government in its entirety and, only for that branch of Government. The funding for that branch, the people's branch, amounts to 0.16 percent of the entire Federal budget and totals $1.8 billion for fiscal year 1993.

It contains $1.1 billion, or 59 percent, for the actual operations of the Congress, excluding Senate items and, $733.5 million, or 41 percent, for functions of other agencies such as the Library of Congress, the Government Printing Office, the General Accounting Office, and the Botanic Garden which are not specifically related to Congress.

The total appropriation provided in this bill, $1.8 billion, represents a $295.4 million, or 14-percent, reduction to the budget request. The bill is under last year's level by $20 million in budget authority and $90 million, or 5.6 percent, in outlays. It is under the 602(b) allocation.

Mr. Chairman, this bill holds the line.

The subcommittee had difficult decisions to make and they did so as a team. The committee has reported a balanced, fair, and disciplined bill.

Mr. FORD of Michigan. Mr. Chairman, I rise in support of H.R. 5427, the legislative branch appropriations bill.

We have begun our annual exercise in self-flagellation—consideration of the legislative branch appropriation bill. Over the next few hours we will undoubtedly be treated to some amendments intended solely to cripple this institution's ability to operate. Others, perhaps, may be offered in an attempt to embarrass this House and its leadership. In recent years some Members have used this bill to try to score political points at the expense of the House. I hope this will not be the case again this year.

The Committee on Appropriations has brought us a good bill, and I want to commend the work of Chairman FAZIO, ranking member LEWIS, and the members of the Subcommittee on the Legislative Branch who each year face the thankless task of developing this legislation.

This is the leanest legislative branch bill I can remember in my 28 years in the House. This bill is not a current-services bill, that is, a freeze with adjustments for inflation. It is not even a hard freeze. It is a real cut as far as the House is concerned. As reported, this bill appropriates 18 percent less than has been requested for fiscal year 1993 and 1 percent less than was appropriated last year.

These cuts are spread across the board, at least as far as the majority is concerned. I notice the Speaker's office is cut by more than 6 percent below last year's level. The majority leader's office is cut by more than 11 percent. The minority leader's office is cut by about 3 percent. Official mail costs are slashed. Virtually every other House account is frozen at last year's level. As a committee chairman who has to deal with these cuts, I know this bill will cause some pain.

I am concerned, however, that in our efforts to demonstrate to our constituents that we are fiscally responsible we will impair our ability to operate and to oversee the executive branch. If we adopt some of the amendments which have been noticed, we could shoot ourselves in the foot.

Some, particularly on the other side of the aisle, may want to impair our ability to conduct effective oversight. From a partisan standpoint that is understandable. It was the Democratic Congress that exposed executive branch scandals such as Watergate, Iran-Contra, the HUD scandal, and the savings and loan debacle. But it is the responsibility of the Congress to oversee the executive branch, and it would be irresponsible to adopt amendments which impair our ability to meet that responsibility.

An example of such an amendment is one that may be offered to cut the General Accounting Office's [GAO] budget by 25 percent. This amendment would gut GAO's ability to serve as the investigative arm of the Congress. I intend to speak against that amendment later, but I have always been impressed by the impartiality and professionalism of GAO. When I chaired the Committee on Post Office and Civil Service, GAO investigators unearthed the inappropriate financial relationships between top Presidential advisers, Mr. Deaver and Mr. Meese, and the Chairman of the Postal Service Board of Governors whose appointment, coincidentally, had been recommended by Mr. Deaver. It was GAO which examined the sweetheart contract Ross Perot entered into with the Postal Service, a contract which virtually guaranteed that Mr. Perot's company would have a monopoly on Postal Service business. That contract was nullified when the full details of the contract became public.

With respect to programs under the jurisdiction of the Education and Labor Committee, the GAO, during fiscal years 1989 through 1992, issued 94 reports, prepared 44 pieces of congressional testimony, and documented savings of over $800 million. During this period, GAO's work contributed significantly to our legislative and oversight activities and resulted in savings and improvements in the Departments of Education and Labor.

My colleagues, this is a good bill. Support Chairman FAZIO. Oppose those amendments which hinder Congress' ability to do its job. And, vote for the bill.

Mrs. VUCANOVICH. Mr. Chairman, as a member of the Legislative Branch Subcommittee I rise in support of H.R. 5427. It is a privilege to serve with such distinguished members as our chairman, VIC FAZIO, and the ranking member, JERRY LEWIS. I would like to commend them for their hard work on this bill. This is always a controversial piece of legislation and this year is no exception in light of the recent wave of Congress bashing. VIC and JERRY have worked hard to bring a fair and balanced bill to the floor.

Mr. Chairman, we approved $1.8 billion in spending, which does not include money for the Senate. This represents a 5.7-percent reduction in outlays from fiscal year 1992 and a 1.1-percent reduction in budget authority. With this bill we are showing that, in this time of tight budgets, we are tightening our own belts and reducing the money spent on congressional operations. We are setting an example for the other branches and rightfully so.

This is, by its very nature, a difficult debate. I would like to point out, however, that the $53 million appropriated for franked mail represents a one-third reduction from the $80 million that was initially approved for fiscal year 1992. The bill also includes language that would prohibit House Members from sending franked mass mailings outside their districts.

The fiscal 1993 appropriation for House salaries and expenses, which include committees and personal staffs, is set at $704.4 million, compared with $713.5 million in fiscal year 1992.

The GAO's budget was cut by $500,000 to $442.2 million. Although this is a step in the right direction, I am in favor of efforts to reduce this budget even further.

The only significant increase is for the Library of Congress. This is due to the fact that the Library is in the midst of a massive computer cataloging program.

Mr. Chairman, I know that this is an easy bill to criticize but we must provide adequate funding for the efficient operations of the House. A lot of hard work, on both sides, has gone into this bill and I urge passage of H.R. 5427.

Mr. GAYDOS. Mr. Chairman, I rise in strong support of the legislative branch appropriations bill for fiscal year 1993. This bill is a fiscally responsible piece of legislation which will limit the potential for growth in legislative branch expenditures. It is the product of a very rational and systematic process of reviewing in detail every budget request from the entities comprising the legislative branch. The bill, as skillfully crafted by the Subcommittee on Legislative Branch Appropriations, prudently balances the demand for fiscal restraint in the expenditure of public funds with the critical need for the legislative branch to discharge its responsibilities in an effective manner. Consequently, I commend the chairman of the subcommittee, Mr. FAZIO, the ranking minority member, Mr. LEWIS, and the members of the subcommittee for their hard and thoughtful work.

The recommended total new budget authority for fiscal year 1993 is $19,875,000 below the total amount available for fiscal year 1992. Furthermore, the recommended total amount

for fiscal year 1993 is $295,400,000 less than the sum total of all the budget requests from the respective legislative branch entities. In effect, the total of all the requests was cut by 14 percent. Thus, the recommended total appropriation for fiscal year 1993 is very reasonable and in fact, it reflects a tough bill. In the end, the subcommittee has presented to the House a true product of fiscal restraint and prudence.

In terms of understanding the relationship of the pending appropriations bill with the legislative branch budgets approved over the past several years, the committee report is very instructive. Since 1978, a year in which legislative branch operations stabilized, the legislative branch budget has remained approximately the same in real terms. As the report indicates:

The average growth since 1978 has been 5.4 percent per year, as compared with 5.5 percent for price levels measured by the Consumer Price Index. Congressional operations, title I of the bill (and adding the budget estimates for the Senate), also have been restrained, growing at only 5.7 percent annually. During the same period, the executive branch has averaged a 7.6-percent annual rate of growth, an increase in real dollars at an annual rate of 41 percent higher than the legislative budget.

Finally, I strongly urge my colleagues to support this very restrained bill. It is a very responsible allocation of Federal funds. In particular, I would recommend against supporting any indiscriminate across-the-board cut. Approval of such a cut would seriously negate the careful judgments made by the Appropriations Subcommittee during its meticulous budget review process. In fact, the adoption of such an amendment would impair the process itself and it would lead to unforeseen consequences. It would be a defeat for the House's effort to apportion its funds in a fiscally responsible manner.

Mr. FRANKS of Connecticut. Mr. Chairman, I rise in frustration at the treatment of the minority party and for the business-as-usual attitude that shows itself in the funding levels in this bill. The rule under which the bill is being debated shows that the Democrats are not willing to make those tough choices that they spoke so fondly of just a few weeks ago. Amendments that would make tough budget choices were not allowed to be offered on the floor by the Democrat-controlled Rules Committee.

Of the amendments that were allowed, there are a few I would like to discuss. I am pleased to support the Swett amendment to rescind $6.1 million in unused 1991 appropriations. The existence of the contingency fund is yet another example of House procedures with which the public is outraged. The contingency fund typifies the fiscal irresponsibility of the Democratic Party which has controlled Congress for the last umpteen years. If Congress does not spend the money it was appropriated, the money should be returned to the Treasury. It should not be left in some contingency account to fund projects not subject to congressional review and at the discretion of certain Members. Along with the return of this money to the Treasury, I would have liked to see the funds applied toward Federal deficit reduction. Unfortunately, this amendment was not allowed by the Rules Committee.

I also support the Thomas of California amendment. I am a cosponsor of legislation that would prohibit Members from sending mass mailings outside of their district. Passage of similar language in this bill will support the movement to reform the franking system and deter franking abuses.

I will not, however, support the Roberts/Walsh amendment to prohibit Members from using clerk hire and official expense funds to support legislative service organizations [LSO]. I believe that LSO's are very worthwhile organizations. Without the support of their members they would not exist. LSO's provide valuable information on floor action and analysis of legislation. If generated by individual offices, this work would consume an inordinant amount of time and would leave little time to pursue other projects. If LSO's did not produce work valued by the membership, Members would not join them. In my opinion, a prohibition on the use of Members' funds, such as proposed by this amendment, is not necessary.

In the end, however, I will not support this bill. It provides funds for a bloated Congress. The rule denied Members the opportunity to make tough budget choices now. Many necessary amendments which could have improved the bill were not allowed under the rule. I cannot support a bill which I believe continues business as usual when my constituents are crying out for change and a reduction in Federal spending.

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

Mr. LEWIS of California. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment printed in section 2 of House Resolution 499 is considered and adopted.

Pursuant to the rule, no other amendment shall be in order except those amendments printed in House Report 102-609. Unless otherwise specified in the rule, amendments shall be considered in the order and manner specified, shall be offered only by the Member specified, or his designee, shall be considered as read, and shall not be subject to amendment or to a demand for a division of the question. An amendment in the form of a limitation or retrenchment shall remain subject to the provisions of clauses 2(c) and 2(d) of rule XXI. Debate time for each amendment shall be equally divided and controlled by the proponent and an opponent of the amendment.

The Clerk will read.

The Clerk read as follows:

H.R. 5427

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 Legislative Branch for the fiscal year ending September 30, 1993, and for other purposes, namely:

TITLE I—CONGRESSIONAL OPERATIONS

HOUSE OF REPRESENTATIVES

MILEAGE OF MEMBERS

For mileage of Members, as authorized by law, $210,000.

□ 1450

Mr. FAZIO (during the reading). Mr. Chairman, I ask unanimous consent that the bill through page 17, line 16, be considered as read, printed in the RECORD, and open to amendment at any point.

Mr. WALKER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. SWETT

Mr. SWETT. 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 offered by Mr. SWETT: Page 2, after line 5, insert the following:

SALARIES AND EXPENSES (PRIOR YEARS)

(RESCISSION)

Of the funds appropriated in the Legislative Branch Appropriations Act, 1991, for the House of Representatives under the heading "SALARIES AND EXPENSES", there is rescinded a total of $6,775,642.83, in the amounts specified for the following headings and accounts:

(1) "HOUSE LEADERSHIP OFFICES," $308,988.51, as follows: (A) "Office of the Speaker", $17,647.07; (B) "Office of the Majority Floor Leader", $36,233.46; (C) "Office of the Minority Floor Leader", $183,097.26; (D) "Office of the Majority Whip", $61,579.53; and (E) "Office of the Minority Whip", $10,431.19.

(2) "COMMITTEE ON THE BUDGET (STUDIES)", $8,261.37.

(3) "STANDING COMMITTEES, SPECIAL AND SELECT", $2,171,051.63.

(4) "ALLOWANCES AND EXPENSES", $2,592,737.63, as follows: (A) "Official Expenses of Members", $2,196,821.48; (B) "supplies, materials, administrative costs and Federal tort claims", $3,108.30; (C) "net expenses of purchase, lease and maintenance of office equipment", $292,766.95; and (D) "stenographic reporting of committee hearings", $100,040.90.

(5) "COMMITTEE ON APPROPRIATIONS (STUDIES AND INVESTIGATIONS)", $955,144.83.

(6) "OFFICIAL MAIL COSTS", $41,210.33.

(7) "SALARIES, OFFICERS AND EMPLOYEES", $698,248.53, as follows: (A) "Office of the Postmaster", $1,000.53; (B) "Office of the Parliamentarian", $119,087.71; (C) "for salaries and expenses of the Office of the Historian", $54,324.08; (D) "for salaries and expenses of the Office of the Legislative Counsel of the House", $198,559.05; (E) "six minority employees", $85,315.44; (F) "the House Democratic Steering Committee and Caucus", $123,537.90; (G) "the House Republican Conference", $94,273.55; and (H) "other authorized employees", $22,150.27.

The CHAIRMAN. Pursuant to the rule, the gentleman from New Hampshire [Mr. SWETT] is recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

Mr. LEWIS of California. Mr. Chairman, although I do not rise in opposition to the amendment offered by the

gentleman from New Hampshire [Mr. SWETT], I ask unanimous consent to be recognized for 15 minutes in support of this popular amendment, and I will allocate that time to the Members on my side of the aisle.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire [Mr. SWETT].

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

Mr. Chairman, first let me state my support of H.R. 5427 and commend the chairman and ranking member for their fine work. In a year of tight fiscal budgets, the reductions achieved in this bill, which make it less than budgets of all previous years since 1977, clearly indicate that Congress is moving in the right direction. However, I hope that we can help make this bill even better.

Mr. Chairman, the amendment that I am offering to the legislative branch appropriations bill today will rescind all known, unexpended balances from the fiscal year 1991 appropriation for the House of Representatives, which is a sum of approximately $6.8 million. These funds were previously appropriated for the use of the House leadership offices, House committees, Member offices, and other House of Representatives' accounts. Under our amendment, these remaining unused funds will be returned to the U.S. Treasury and will not be reprogrammed or used for other congressional purposes.

I would like to acknowledge the support of Mr. DORGAN of North Dakota, Mrs. BOXER of California, Mr. GLICKMAN of Kansas, Mr. PENNY of Minnesota, and Mr. KLUG of Wisconsin in cosponsoring this amendment to the legislative appropriations bill.

From the beginning of my short career as a public servant and Member of this House, it has been evident to me that our greatest task is to increase the fiscal responsibility of the Federal Government.

Occasionally Members have the opportunity to demonstrate a commitment to fiscal responsibility through voting on bills that involve vast sums of money by significantly altering the way executive agencies operate and by attempting to adopt an amendment to the Constitution calling for a balanced budget.

Mr. Chairman, this amendment might not be considered such a grand piece of legislation. It returns a modest amount to the Treasury. It will not solve the national debt. But while $6.8 million may not be large in comparison to the amounts we often consider in this House, it is an important step in the right direction. Rather than simply reallocating these unexpended funds, we are returning them to the Treasury. The principle is very important.

It is my hope, Mr. Chairman, that this amendment will mark a beginning in the exercise of greater fiscal responsibility on the part of all of us in the Congress. This past year, one of the ways that I tried to do this was by keeping a firm commitment I made to my constituents in the 2d Congressional District of New Hampshire not to abuse my franked mail allowance. Last year I returned over two-thirds of my franked mail allowance to the Clerk of the House.

I believe that each one of us in the Congress has the responsibility to exercise greater care in our stewardship of the public funds we are allocated. We must demonstrate to the American people that we can be careful, responsible managers who wisely guard the taxpayers' dollars entrusted to us. Rescinding this $6.8 million is a modest step toward greater fiscal responsibility in Congress. It demonstrates the right attitude. It puts us on the right track. It shows that Congress can get by with less, that Congress can manage public funds more efficiently. This is the direction we must continue to follow.

As the internationally renowned architect, Miles Van der Rohe, once said, "Less is more." If we can do more with less, than we truly accomplish a great deal in rebuilding the confidence of the American people in our democratic form of government.

I urge my colleagues to join me in supporting this amendment.

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

Mr. LEWIS of California. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Chairman, there is a fundamental principle involved in this amendment that everyone in my district in Wisconsin clearly understands, and that is:

> When you sit down at the kitchen table at the end of the month over a cup of coffee to write out checks for your bills, the goal for everyone is to have some cash left over to stick into a savings account.

Mr. Chairman, many of us, when we were elected, took that same principle to heart, so, as the year went on, we did not spend every nickle and dime and every buck at our disposal, we did not spend it on staff, or mailing, or stationery. We tried to bank some of it only to discover that the money we thought was being returned to Treasury oftentimes could be reprogrammed and then spent elsewhere.

This amendment offered today will return nearly $7 million to the Treasury. This money from the 1991 legislative appropriations budget will be used to reduce the deficit instead of being tucked away in some rather mysterious contingency fund.

Mr. Chairman, I would like to thank in particular my freshman classmate, the gentleman from Pennsylvania [Mr. SANTORUM], who has taken the lead in recent weeks in pointing out the potential for abuse in any kind of legislative slush fund, and I would also like to thank the gentleman from New Hampshire [Mr. SWETT], my colleague, and also the gentleman from California [Mr. FAZIO] and the gentleman from California [Mr. LEWIS] who agreed with our arguments and who made the case to their colleagues on the legislative appropriations committee that legislative reprogramming should be substantially cut back, although I, like many of the speakers on this side of the aisle, think it should be eliminated altogether and in the future be totally banned.

Mr. Chairman, I yield such time as he may consume to the ranking member of the Subcommittee on Legislative of the Committee on Appropriations, the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, by way of the courtesy of the Chair, I rise to express my support for the work of our two colleagues on this amendment. The amendment would rescind almost $7 million from the legislative branch appropriations bill, moneys that remain from the 1991 year. It is our best guesstimate that we can within reason rescind at this point as much money from our bill as possible from the 1990 year and 1991 year to the Treasury rather than accumulating over time into a larger fund available for legislative branch reprogramming purposes. It is an effort in another way to demonstrate that within the legislative branch appropriations bill we are not just tightening our belts. We indeed are attempting to demonstrate that across the board in our appropriations bills this year there will be a major effort to cut back spending and, thereby, impact the national debt.

□ 1500

With that, I want to express my appreciation to my two colleagues, and I certainly appreciate them yielding me this time.

Mr. KLUG. Mr. Chairman, I yield 4 minutes to my distinguished freshman colleague, the gentleman from Pennsylvania [Mr. SANTORUM], who has been a leader on this entire issue.

Mr. SANTORUM. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to give a little overview of where this money is coming from and how we arrived at this $6 million figure.

At the end of 1991 my understanding was that left over, in other words, money in the legislative accounts that was unused in 1991 as of September 30, which is the end of our fiscal year, was approximately $46 million.

Now, Mr. Chairman, let me step back. I think sometime this winter we rescinded $20 million of that $46 million, so we went down to $26 million

being left over. We took $20 million and rescinded that funding from the franking account.

We are now today rescinding another $6 million, which leaves about $20 million.

You may ask what happened to this $20 million? Some very legitimate things happened. There were bills that were not submitted by the September 30 deadline that we had to pay. A lot of those bills were in, and, unfortunately, some of this money was reprogrammed.

What is reprogramming? Well, let us say you have some money here in the Post Office account and you do not necessarily have any reason to spend it there because there are no unpaid bills, so you decide you want to spend it over here in the office equipment account. So you, with a little sleight of hand, the chairman of the appropriations subcommittee, in consultation with the ranking member, decides we are going to spend this money somewhere else for some other purpose that nobody in this House has agreed to spend it on.

That is what I call the contingency funds of the House.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. SANTORUM. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I knew the gentleman would yield, because it is important to have some dialog on this issue.

I certainly appreciate the understanding of the gentleman from Pennsylvania [Mr. SANTORUM], increasing understanding, I might add, of how this works.

Mr. SANTORUM. Mr. Chairman, I am learning.

Mr. FAZIO. I think the gentleman is to be commended for this studious approach to this. I know the gentleman has been working with staff and the CRS and others.

The only point I would like to make though is that the reprogramming authority here actually provides for more accountability than exists often in the executive branch.

In many areas the sorts of transfers that the gentleman from California [Mr. LEWIS] and I agreed to make here, from one account to another, are not even brought to Congress when they occur in the executive branch. So we really are providing more oversight. I think we have to remember that all these things that we have reprogrammed for are authorized. They are totally appropriated based on law that is standing in existence.

For example, the reprogramming we agreed to last week on the clerk hire funds which will allow Members to keep faith with their employees through the end of the fiscal year is very important, and not sleight of hand. It is simply part of the process that we have to use to have the flexibility to do our job. It is the same sort of thing that is done in the private sector and the executive branch in order to expedite their operations and to deal with unforeseen requirements.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. SANTORUM. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I was going to suggest to the gentleman from Pennsylvania [Mr. SANTORUM] that one day it is conceivable that my chairman's party might have the presidency. Then the gentleman from Pennsylvania [Mr. SANTORUM] and I can make all these examples about the administration.

Mr. SANTORUM. Mr. Chairman, reclaiming my time, what I would say is while we might be somewhat more accountable while the subcommittee makes these decisions, my feeling is if we are going to be doing reprogramming, No. 1, we should limit it, and I think we have done that by elimination of the no-year funding; and, two, it should be a much more open process and inform the Members generally speaking as to what is going on so the public has the right to know that.

Mr. Chairman, that is the reason I have gotten up on the floor and at times harangued on this issue. I think we are seeing some sanity being brought to the process.

I want to commend the gentlemen for doing this and commend the gentleman from Wisconsin [Mr. KLUG] and the gentleman from New Hampshire [Mr. SWETT] for eliminating whatever money was left over for 1991. I look forward next year to getting rid of the leftover funds from 1992.

Mr. SWETT. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I rise in support of the Swett-Penny-Dorgan-Klug-Boxer amendment to the fiscal year 1993 Legislative Branch Appropriations Act, to rescind funds appropriated but not spent in Member's office accounts in fiscal 1991. The $6.8 million rescinded by this amendment will be returned to the Treasury for deficit reduction. I commend the gentleman from New Hampshire for his leadership in offering this amendment and I also want to thank Chairman VIC FAZIO for producing a bill that is both below the budget cap and a 5.7-percent reduction from current-year spending levels.

The underlying bill before us, H.R. 5427, will result in a hiring freeze in the House, a $27 million cut in mail costs, a $6.2 million reduction in congressional printing costs, a $8.2 million cut in maintenance and repairs, a $4.5 million cut for House supplies and materials, a $1.2 million reduction in police costs, a spending freeze for the Congressional Research Service and all joint committees at current-year levels to just name a few of the reductions contained in this measure. This year's bill contains more cuts than any other year in the history of legislative branch appropriations.

The Swett-Penny-Dorgan-Klug-Boxer amendment eliminates what has been called no-year funds that are appropriated in one fiscal year but are authorized to be spent in subsequent years. Some Members, myself included, have consistently turned back a portion of our office budget. Our intent was to save the taxpayers money—not to have these savings spent elsewhere. Many of us have rightfully charged that no-year accounts have turned into a slush fund from which projects around the House are funded, often without authorization or specific appropriation. For the information of Members, this fiscal year 1993 legislative branch bill allows no such fund.

In addition, I believe a reorganization of the Congress is in order—including a reduction in the number of committees. I will be working to implement these reforms in the next Congress. Clearly, at that point, additional budget savings can be achieved. In the meantime, I am pleased with our recent decision to freeze current-year committee budgets and with this proposal for nearly a 6-percent cut in next year's legislative funding. I feel these are steps in the right direction. I commend the leadership for working with those of us who have advocated cuts in the legislative budget.

I urge the adoption of the amendment, and I again commend Mr. SWETT and Chairman FAZIO for their work on this measure.

Mr. KLUG. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Chairman, I think this is a good amendment that we should all support. The bill before us to which this is an amendment makes great strides by eliminating no-year funding, which did give rise to the so-called slush fund which is, I think, of great concern to many people throughout this country. I am delighted to know that we are going back toward the fixed year appropriations.

Mr. Chairman, I also like this amendment because we will be able to return to the General Treasury for purposes of deficit reduction nearly $7 million, which, although small in terms of the overall size of the budget, is definitely a step in the right direction.

I wish that we could go beyond what this amendment proposes and get a performance audit of all accounts of the House of Representatives, and I would like to scrutinize more closely the Architect of the Capitol account, but those issues will remain for another day.

Today we have a chance to take this small step in the right direction, and I would urge support for the amendment.

Mr. KLUG. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. BOEHNER].

Mr. BOEHNER. Mr. Chairman, I rise today to support the amendment offered by my colleagues and friends, the gentleman from Wisconsin [Mr. KLUG] and the gentleman from New Hampshire [Mr. SWETT]. I think this is certainly a worthwhile contribution they make today.

I also rise to congratulate the gentleman from California [Mr. FAZIO] and the gentleman from California [Mr. LEWIS], who have made some important contributions in terms of changing the direction of this legislation. It does not go as far as I would like to see it go, but it is at least a step in the right direction.

Mr. Chairman, my colleague, the gentleman from Pennsylvania [Mr. SANTORUM], previously discussed contingency funds and the whole issue of reprogramming. We are reducing the contingent funds here. We are down to about $20 million. With what the committee did to eliminate no-year funding, the ability of contingent funds to continue to build can no longer occur.

When it comes to reprogramming of those funds, I think that all of us realize reprogramming is important. You are going to have changes in the budget that occur during the year, and certainly there is going to be an effort and need to change funds around.

What I and others would like to see in a reform mode is to see that reprogramming efforts are done in a more formal way, in a more open way, so that Members of this House have some idea why we are reprogramming money and for what purpose it is going to be used.

In addition, one of the other areas that I think a lot of us believe strongly in is that we ought to have performance audits, so that Members of this Congress who sit here and vote for this money can actually see where this money is going. Because with reprogramming, as it is done today, and with the lack of performance audits, many of us have no idea how funds that this Congress appropriates are actually being used.

□ 1510

So again, I rise to thank my colleagues and support their amendment. It is a worthwhile amendment, deserves an "aye" vote.

Mr. SWETT. Mr. Chairman, I yield 1 minute to the gentleman from Delaware [Mr. CARPER].

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

I want to commend him and the gentleman from Wisconsin [Mr. KLUG] for offering this amendment today.

This is not, I guess, in the whole scope of things, an enormous amount of money, roughly $7 million. And added to the $20 million, to which this bill comes to us today, below 1992 spending, it is certainly another step in the right direction.

The bill amounts to a rescission, a rescission. And we may recall under current law, the President, when he signs an appropriations bill, can send a rescission message to the Congress. And after 45 days, if we have not taken action on that rescission, the rescission effectively goes away.

There are some of us who believe that the Congress should be compelled to vote on Presidential rescissions, to be able to defeat them with a simple majority, but that we would have to vote on that rescission.

This, in effect, is an attempt to do something along those lines. I commend the gentleman from New Hampshire [Mr. SWETT] for his inviting us to take that step, and my hope is that maybe we will consider taking a bolder step and to consider the way we have written the 1974 Budget Act, which requires us to vote on all Presidential rescissions.

Mr. KLUG. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. STEARNS], who led the fight to try to do this last year.

Mr. STEARNS. Mr. Chairman, I want to thank the gentleman for yielding time to me.

It is a pleasure to rise in support of the amendment offered by the gentleman from New Hampshire and the gentleman from Wisconsin. I would like to point out that this amendment is quite similar to the amendment offered by the gentleman from Pennsylvania [Mr. SANTORUM] last year. This amendment will rescind a total of $6.8 million from the funds appropriated for our salaries and expense accounts. I support this amendment because it has been a longtime coming.

The House leadership had made a practice of transferring unspent moneys into various accounts without the approval or even awareness of other members.

This amendment demonstrates a willingness by this body to move toward increased openness and accountability. The House leadership deserves praise for admitting the existence of discretionary funds and helping target those funds toward deficit reduction.

Mr. Chairman, in the past many members thought amendments like this were not important to the American people—that they were overlooked.

Well, in my district that is not so. Just last April a letter appeared in the Gainesville Sun from a gentleman calling for the elimination of discretionary funds in the U.S. House of Representatives. He believed the House should lead the deficit reduction charge by example.

The vote on this amendment will send a message to the American people about both the House and their individual representative.

A "yes" vote tells them the House will operate itself openly and honestly. A "no" vote signals a return the secrecy and deception of years past.

Again, I praise the House leadership for allowing this important amendment offered by the gentleman from New Hampshire and the gentleman from Wisconsin to the floor.

Mr. Chairman, I strongly urge my colleagues to support it.

Mr. KLUG. Mr. Chairman, I yield 2 minutes to my fellow freshman classmate, the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Mr. Chairman, I thank the gentleman for yielding time to me. I compliment his efforts and those of the gentleman from New Hampshire [Mr. SWETT].

I think this is a very, very important amendment because it puts the House on record as being serious about eliminating the practice of reprogramming unexpended funds. It establishes a precedent for, actually an incentive for the House itself to conserve and to spend the taxpayer dollar wisely.

Until the present and until this amendment there has been no incentive for Members of the House to underexpend their authorized budget because in reality, when that occurred, and that is the situation for a goodly number of Members of Congress, those funds, rather than being returned to the Treasury or, in this instance, with this amendment, rather than going directly toward deficit reduction, went instead into a slush fund or a contingency fund controlled by a handful of Members of the House, the entrenched Democratic leadership, for spending as they saw fit.

So I compliment the authors of this amendment. It is a very important and timely one. Furthermore, it sets a good example of belt tightening for the American public as we enter into the coming debate on how to balance the Federal budget and how to bring Federal outlays, Federal Government outlays into line with Federal revenues.

Mr. SWETT. Mr. Chairman, I yield the remaining 7 minutes to the gentleman from California [Mr. FAZIO].

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

I simply want to say with this rescission we will be, as I think some have already said, completely eliminating all the carryover funds from the 1991 fiscal year that have not been legally obligated. We are taking every penny, every "Tim Penny," down to the end.

The additional rescission, however, should be added to the amount that was already cut in this bill. So in addition to the $19.9 million, which the committee has reduced below the fiscal 1992 level, we will now be adding an additional, $6.8 million, bringing the total to $26.6 million below the current year. And therefore, adding to the amount we had already cut in this bill,

we will now be reducing this bill by 1.5 percent in budget authority. And we anticipate, based on the way in which rescissions have been scored by CBO and OMB, an overall reduction in 6.1 percent of actual outlays, well over the budget resolution assumption.

I simply wanted to say, however, that there have been a number of comments about slush funds and nefarious activity in the process of reprogramming and also some concerns expressed that if Members underfund their allowances, Member allowances for staff or clerk hire or for office expenses or for postage, that somehow that money is not being saved and is, therefore, being made available to powerful entrenched leaders of Congress.

I think it is important to say this. We estimate that there will be many Members who do not utilize all their office accounts. The gentleman from Kentucky [Mr. NATCHER], our friend over here, the acting chairman of the committee, has a reputation for diligence and prudence in the way he handles his office account. He is but one example of a person that allows us to authorize at one level and then in this committee appropriate at a much lower level all of these accounts because we fully appreciate that Members will not fully expend all that they are allowed to expend.

So to the degree that Members choose not to spend their clerk hire, it remains in the Treasury. It never comes to Congress. It is never drawn down upon. So the difference between what we are allowed to spend and what we do spend is calculated across the board, not on an office-by-office basis.

We do not line item Members' offices in the bill. We aggregate all the offices. So I want to assure the Members who have not spent all their funds that they have contributed to allowing large sums of money to remain in the Treasury, not to come here to be reprogrammed in some manner.

The reason this issue has become visible is because in 1991 and 1992, we had no-year funding. To be blunt, the reason no-year funding was included for things other than capital outlay, which is normally the case, even in this bill, is because we had a very difficult time with our postage. Members were voting to cut postage on the floor, knowing full-well that those amendments had no effect and Members continued to mail.

Some of the greatest mailers were the first to vote to cut on the floor. So what we did was provide flexibility, which now that we have a cap on how much Members can spend on mail, is no longer necessary.

The gentleman from Pennsylvania [Mr. SANTORUM] mentioned the 1992 bill. That will be the last bill in which these kinds of accounts continue to have no-year funding in them. And we will be just as diligent to rescind money we do not need in 1992 as we have been in 1991. But the reprogramming process, which the gentleman from California [Mr. LEWIS] and I work together on in a bipartisan way, which we had, by the way, placed in the RECORD and talked about on the floor so that there are no questions as to the validity of those requests and the way we have responded to them, will continue when appropriate, when it appears that we will unfortunately be short in some area where we misestimated.

□ 1520

I can remember a few years ago in the first year of the FERS retirement system, we had many new employees who went into that program, and the formula given to us by the administration was flawed. That generated additional funds. We reprogrammed those funds to telecommunications, made purchases of switches and telephone equipment which since then has saved us tens of millions of dollars.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I am happy to yield to my friend, the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I appreciate the gentleman yielding to me.

Mr. Chairman, I must say that it is important to point out the fact, the reality, that there is a tendency to focus on this bill, and I have described it as self-flagellation, and it is a reality that some of those individuals, not all but some of those individuals who are here quickest to cut by way of amendment are the very individuals who spend every dime in their account.

Having said that, we have begun a very important process here, for we are saving millions of dollars by way of this amendment. We have a very tight bill to begin with, and one of our former esteemed colleagues was heard to say that "a dollar here, a dollar there, $1 million here, $1 million there, adds up to a lot of money eventually."

Mr. FAZIO. I appreciate the gentleman's comments. I would simply say to those who appeared in the well today, I welcome their in-depth appreciation of this bill. There are so many through the years who have been so critical without half the information. Sometimes a little bit of knowledge can often be misused, and I am hopeful that Members who now have a greater understanding of this process would admit that there has been no nefarious activity here, nothing done that would be, by any Member's estimate, an inappropriate reprogramming.

While I said earlier that the administration is very often held to a much looser standard in this regard, I will continue to work with my colleague, the gentleman from California [Mr. LEWIS]. There will never be a day in which we have a reprogramming which cannot be agreed to on both sides of the aisle. If it cannot be agreed to, we will bring it to the floor and have the Members vote on it. It is the only way for us to proceed. It is a practical and I think a time-honored way to do that.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. Yes, I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I noticed when I went through the reprogramming account that the gentleman published in the RECORD the other day that it was $314,000 that was spent to remodel the former Document Room for I think his Steering and Policy Committee.

I would ask the gentleman, who made the decision that $314,000 should be used for that purpose?

Mr. FAZIO. The decision is made by the Architect of the Capitol and submitted to the committee. The gentleman from California [Mr. LEWIS] and I review the recommendations of the Architect when it falls into the purview of the Architect of the Capitol.

Mr. WALKER. So the gentleman from California [Mr. FAZIO] and the gentleman from California [Mr. LEWIS] signed off for the House on that particular project, is that right?

Mr. FAZIO. That is correct, after, I must say, some lengthy discussion, and I know in the case of the gentleman from California [Mr. LEWIS], some concrete conversation with the gentleman from Illinois [Mr. MICHEL]. I have some additional remarks which I will insert here that provide additional classification.

THERE IS NO SLUSH FUND

Mr. Chairman, about this time each year, and every other year at election time, we begin hearing about a so-called slush fund—or a Speaker's slush fund. Well, there is no slush fund—not in this bill—nor elsewhere that I know of in the House of Representatives.

One of the common descriptions of this mystical allegation goes like this:

> A Member's current clerk hire allowance is $537,480. If the Member does not pay all that out in salaries, then some say the unused funds go into the "Speaker's slush fund." That's pure rhetoric, of course, and it is just not the case.

In the first place, we do not appropriate sufficient funds for all Members to spend the clerk-hire allowance, including the transfers they are allowed to make. If we did, we would have to appropriate $276.1 million into that account.

But this bill only appropriates $228.3 million for that purpose. That's because we know many Members will not spend their full allowances. We have many frugal Members, and the committee does not believe in full funding any account. We only fund what we believe is necessary.

So we have saved $48 million.

That $48 million is not in a slush fund. We did not appropriate it. It doesn't transfer into the drawing account at the Treasury. Those Members who do not spend their ceilings can correctly say that they are saving real dollars. They are entitled to use the maximum allocation, but choose not to.

If we didn't appropriate it, it can't be spent—that's the law. So the Speaker—the leader—the whip—the Clerk—the doorkeeper—cannot spend it.

Now let me refer to a related matter, because it is part of the misunderstanding.

There are areas within the bill where the committee retains authority to transfer funds from areas where a surplus may exist to an area where a deficit may occur because of unforeseen circumstances or because of an underestimated requirement.

That is prudent fiscal management. There is nothing sinister—or underhanded—or even unusual about this practice. This reprogramming tool is practiced in every agency of the Government and in every corporation in America. It is good business sense to allow some flexibility in a budget plan and to provide a procedure for making that flexibility as efficient as possible.

For example, in fiscal year 1990, the House Postmaster was beginning to run a backlog in delivering mail to Members' offices—many of you remember that.

Well, the committee used the transfer authority to add $44,000 to the Postmaster for overtime and additional help. Later on we provided emergency funds to hire 40 temporary mail handlers to alleviate the problem.

Back in 1987, we transferred $12 million—that's by far the largest transfer that we have ever approved other than one in 1989 because of an accounting change—from the employee benefit account to our telephone payment account. We had the surplus because that was the first full year of the new FERS retirement program and the formula given to us by OPM to use in figuring the funding need, produced an amount that was much larger than the actual cost.

The $12 million telephone payment was for two new switches and to purchase new telephone instruments. And because of that investment, we have saved tens of millions of dollars. That was a wise reallocation of savings.

This year, we have transferred from savings the funds necessary to pay for the increased salaries made possible by the $50,000 increase in clerk-hire authorization.

We have published every transfer we have made since 1987 in the CONGRESSIONAL RECORD, or in hearings, and released the details to the press.

These are normal funding shifts within a salary and expense appropriation. They are legal, they are prudent and necessary, and they facilitate the operations of the House.

Finally, Mr. Chairman, there is one other area that may impinge on this discussion. I don't want to belabor the point, but I do want to lay out the facts and put this misleading and persistent slush fund fairy tale to rest.

We have a line item in this bill: Supplies, materials, administrative costs, and Federal tort claims within the account for allowances and expenses. That account totals about $19.1 million. The kinds of items charged against that account are centralized telephone services, computer costs, office supplies, wall calendars, and so forth. These are expense items for the House in general, our administrative offices, committees, leadership offices, and so forth. There are procedures in place that are followed to ensure that every expenditure from this account is authorized—is legal—and is cost-effective. The Committee on House Administration is the watchdog of this account. And they are our housekeeping agency. I don't see how anyone could justly criticize the necessity to have that type of account for an organization of over 11,000 people, with many offices in all 50 States, and with an annual budget of over $704 million.

There is no slush fund. There is prudent flexibility—and appropriate management oversight.

RETURNING UNUSED FUNDS

I think each Member who does not spend the allowance for clerk salaries or the allowance for office expenses is perfectly entitled to say those funds were saved.

If a Member spends up to the allowance limit for that Member, those expenditures would have to be charged against an appropriation account and the Treasury would issue a check to cover the expenditures made under the allowance.

If the full allowance is not spent, the funds are "saved" in the sense they do not have to be charged against any spending authority in the U.S. Treasury.

No matter how you look at it, if the Member does not spend all the allowance—there are savings to that extent. And the Member is entitled to make that claim.

There is some confusion here between these clerk hire and office expense allowances and the appropriations authority which is necessary to allow the U.S. Treasury to issue payment on an expenditure from the allowance.

It is the House Administration Committee that sets the allowance.

It is the legislative appropriations bill that actually enacts legal authority for the Treasury to issue checks for legal obligations against these allowances.

Let me take a simple example to illustrate the point.

The House Administration Committee sets an allowance of $100 for Member X.

The appropriations bill does not contain an amount designated for Member X. Instead we have estimated overall what all Members will consume under that allowance.

Because the Appropriations Committee knows the average Member X, or Y, or Z, will probably not spend the entire $100—the average Member is frugal—we will only put an average for each Member of $90 in the appropriations bill in total for clerk hire.

Now, we have not reduced the allowance—Member X can still spend the $100—that is the legal allowance.

The Appropriations Committee thinks only $90 will be spent.

If Member X spends $90—that Member can certainly claim to have saved $10. But no money can be returned, because the $10 is not appropriated.

If the Member spends only $80—then $10 is saved in the appropriations bill and $20 is saved from the allowance.

That Member can claim a savings to the Treasury of $20—because that certainly was the allowance—$20 more than spent.

But we can't turn back that $20. We never appropriated it to begin with. We do have $10 more than what we estimated would be spent.

But there is another consideration here.

Under the rules of the House Administration Committee, Member X can transfer that $20, or $10, or $5 or whatever is left over from the clerk-hire allowance to the office expense allowance—for more office supplies, district office rent, telephone charges, computer equipment, and the like.

If that happens and, just as we underfund the clerk-hire allowance, the appropriations bill had only provided $90 for the office account appropriations, that appropriation is now underfunded by whatever amount the Member transferred from the clerk-hire account.

If Member X transfers the entire $20, we are now short $30 in the appropriation provided for official expenses of members—the $100 allowance plus the $20 transfer less the $90 on average we appropriate for the office accounts of all Members.

So the $10 the Member did not spend under the amount appropriated is needed to transfer to the office account allowance, under the committee's transfer authority, and now we are still $20 short in that account because we now need a total of $120 to pay member X's office allowance entitlement. That shortage will probably be made up by other Members who may underspend their office accounts, or the committee will have to find savings in other House accounts to transfer into this account, or the House Administration Committee will have to reduce the allowance.

I know this is a complex accounting procedure—and one which is not well understood. But it is one that facilitates the administration of House accounts.

The bottom line is that Member X can justifiably claim a savings if the allowance is not spent out.

That money cannot be turned back specifically because it may be needed if there is a net transfer by Members out of the clerk-hire allowances to office expenses or the mail allowance—and we never appropriate the full amount of the allowance anyway.

To the extent there is money left over in the overall clerk-hire appropriation or the office account appropriation at the conclusion of the fiscal year's accounting—that money will lapse. It will stay in the Treasury and be used for general deficit reduction.

Mr. DORGAN of North Dakota. Mr. Chairman, I rise today in support of the amendment offered by Mr. SWETT, myself, and others. In each of the appropriations bills to reach the floor this session, I have supported reasonable reductions in spending. I believe the bill setting spending levels for our own operations in Congress should not be exempt from this same scrutiny. All this amendment proposes is that $6.8 million in unspent money be returned to the Treasury rather than carried over into future budgets.

The general approach of formulating budgets in this town has been to take last year's budget, increase it by some factor and assume this as the new baseline. We often speak of cuts when we have only slowed the rate of increase. We have had a model of infinite growth and unlimited resources for the budget. When the economy is not growing, this model just doesn't work. Accordingly, we must adjust our approach to reflect this reality. One way to do this is by cutting Federal overhead costs.

It's important to understand the context in which this appropriations bill was developed. Between 1979 and 1989 these changes in Federal employment took place: executive branch employment has increased by 8 percent, judicial branch employment increased by 69 percent, while legislative branch employment decreased by 5 percent.

At these levels, cutting the legislative branch payroll in half would save as much as cutting the executive branch by less than 1 percent. But this doesn't excuse us from dealing with the issue of spending in the legislative branch.

Passage of the amendment offered by Mr. SWETT, myself, Mrs. BOXER, Mr. PENNY, Mr. GLICKMAN and Mr. KLUG will bring funding in this bill to more than 6 percent under last year's level and 14 percent under the Presidents' budget request. That's responsible budgeting and a model for other appropriations bills we will consider.

My intent is not to throw stones or otherwise disparage the work or the fine staff people doing the work here on Capitol Hill. What I am doing is taking a stand to try to change the road we are on. It does mean that there should be few sacred cows in discussing how to get the deficit under control—and that includes our own house.

If this money hasn't been needed before, we should do the right thing and return it to the Treasury for reconsideration in light of other priorities, and there certainly are plenty of other needs. We expect to deobligate about $150 million in unspent funds in the foreign operations appropriations bill. We should do likewise with our own funding bill. This approach is part of an overall effort, as recommended by the Democratic Caucus Task Force on Government Waste, to cut overhead costs.

"Hard choices and tough decisions" are phrases heard often on the Hill these days. This is another one, but not the last. I urge you to support this amendment.

The CHAIRMAN. All time for debate on the amendment has expired. The question is on the amendment offered by the gentleman from New Hampshire [Mr. SWETT].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SWETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 426, noes 0, not voting 8, as follows:

[Roll No. 225]

AYES—426

Abercrombie
Ackerman
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—0

NOT VOTING—8

Bonior	McNulty	Traxler
Hefner	Mrazek	Washington
Jones (GA)	Schumer	

□ 1544

Messrs. GINGRICH, MORRISON, SMITH of Florida, LEWIS of Georgia, SAVAGE, and HAYES of Illinois changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The next amendment in order will be offered by the gentleman from Kansas [Mr. ROBERTS].

AMENDMENT OFFERED BY MR. ROBERTS

Mr. ROBERTS. Mr. Chairman, as provided by the rule, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS: Page 2, strike out line 3 through line 5.

Mr. ROBERTS (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 Kansas?

There was no objection.

The CHAIRMAN. Under the rule, the gentleman from Kansas will be recognized for 10 minutes, and a Member in opposition will be recognized for 10 minutes.

The Chair recognizes the gentleman from Kansas [Mr. ROBERTS].

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

Mr. Chairman, as provided by the rule, I have an amendment to strike all funding, $210,000 for the mileage for Members account.

As I described this amendment yesterday in the Rules Committee, I view this as a simple housekeeping provision. One I wish Chairman FAZIO and Congressman LEWIS could accept without a vote.

The mileage for Members account was created in the 1800's when the House of Representatives was more a citizens body. Members were not full-time "professional" representatives of their congressional districts, rather part-time legislators. The sessions of Congress were much shorter and representatives held full-time professional positions and occupations outside of Congress.

The mileage for Members' allowance was set up to pay individuals by the mile they traveled to come at the beginning of a session and again at the end of the session. Members commonly did not travel back and forth to the district during the session and this payment based upon miles was considered fair since traveling was much slower—for some it would take days to return home.

The mileage for Members account has remained and has allowed Members distant from their congressional districts to obtain a windfall on their travel to and from the district at the beginning and end of a session. The payment by mileage has become outdated with air travel and the creation of an official expense allowance [OEA] account for Members office operation. The OEA pays for official travel that occurs throughout the year. It is based upon the cost of the ticket/travel—not a mileage payment. This "true cost" reimbursement is more accurate and does not create a reimbursement in excess of what the Member actually paid to return home.

I am supportive of any system to repay Members for their actual travel costs. However, this account still allows Members to be paid beyond their expenses.

I would urge my colleagues to assist me in simply ending this outdated and confusing system for repayment.

□ 1550

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I am delighted to yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I want to express my appreciation to the gentleman from breaking with tradition and asking that this amendment be included. I certainly want to associate myself with the remarks the gentleman has made.

This has been the law since 1866. It is totally unnecessary and antiquated for Members to travel back and forth during the intervening years.

Mr. Chairman, I am in support of the amendment.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. ROBERTS].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES

For salaries and expenses of the House of Representatives, $704,409,000, as follows:

HOUSE LEADERSHIP OFFICES

For salaries and expenses, as authorized by law, $5,561,000, including: Office of the Speaker, $1,383,000, including $25,000 for official expenses of the Speaker; Office of the Majority Floor Leader, $994,000, including $10,000 for official expenses of the Majority Leader; Office of the Minority Floor Leader, $1,348,000, including $10,000 for official expenses of the Minority Leader; Office of the Majority Whip, $1,095,000, including $5,000 for official expenses of the Majority Whip and not to exceed $405,830, for the Chief Deputy Majority Whip; and Office of the Minority Whip, $741,000, including $5,000 for official expenses of the Minority Whip and not to exceed $97,330, for the Chief Deputy Minority Whip.

MEMBERS' CLERK HIRE

For staff employed by each Member in the discharge of official and representative duties, $228,313,000.

COMMITTEE EMPLOYEES

For professional and clerical employees of standing committees, including the Committee on Appropriations and the Committee on the Budget, $70,950,000.

COMMITTEE ON THE BUDGET (STUDIES)

For salaries, expenses, and studies by the Committee on the Budget, and temporary personal services for such committee to be expended in accordance with sections 101(c), 606, 703, and 901(e) of the Congressional Budget Act of 1974, and to be available for reimbursement to agencies for services performed, $389,000.

STANDING COMMITTEES, SPECIAL AND SELECT

For salaries and expenses of standing committees, special and select, authorized by the House, $57,900,000.

COMMITTEE ON HOUSE ADMINISTRATION

HOUSE INFORMATION SYSTEMS

For salaries, expenses and temporary personal services of House Information Systems, under the direction of the Committee on House Administration, $22,885,000, of which $8,139,000 is provided herein: *Provided*, That House Information Systems is authorized to receive reimbursement for services provided from Members and Officers of the House of Representatives and other Governmental entities and such reimbursement shall be deposited in the Treasury for credit to this account: *Provided further*, That amounts so credited for fiscal year 1992 and not obligated shall be available for obligation in fiscal year 1993.

ALLOWANCES AND EXPENSES

For allowances and expenses as authorized by House resolution or law, $222,737,000, including: Official Expenses of Members, $78,545,000; supplies, materials, administrative costs and Federal tort claims, $19,116,000; net expenses of purchase, lease and maintenance of office equipment, $4,427,000; furniture and furnishings, $1,720,000; stenographic reporting of committee hearings, $1,055,000; reemployed annuitants reimbursements, $1,039,000; Government contributions to employees' life insurance fund, retirement funds, Social Security fund, Medicare fund, health benefits fund, and worker's and unemployment compensation, $116,203,000; and miscellaneous items including, but not limited to, purchase, exchange, maintenance, repair and operation of House motor vehicles, interparliamentary receptions, and gratuities to heirs of deceased employees of the House, $632,000.

CHILD CARE CENTER

For salaries and expenses of the House of Representatives Child Care Center, such amounts as are deposited in the account established by section 312(d)(1) of the Legislative Branch Appropriations Act, 1992 (40 U.S.C. 184g(d)(1)), subject to the level specified in the budget of the Center, as submitted to the Committee on Appropriations of the House of Representatives.

COMMITTEE ON APPROPRIATIONS (STUDIES AND INVESTIGATIONS)

For salaries and expenses, studies and examinations of executive agencies, by the Committee on Appropriations, and temporary personal services for such committee, to be expended in accordance with section 202(b) of the Legislative Reorganization Act, 1946, and to be available for reimbursement to agencies for services performed, $6,631,000.

OFFICIAL MAIL COSTS

For expenses necessary for official mail costs of the House of Representatives, as authorized by law, $53,011,000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation and expenses of officers and employees, as authorized by law,

$50,778,000, including: Office of the Clerk, including not to exceed $1,000 for official representation and reception expenses, $22,354,000; Office of the Sergeant at Arms, including not to exceed $500 for official representation and reception expenses, $1,369,000; Office of the Doorkeeper, including overtime, as authorized by law, $10,750,000; Office of the Postmaster, $4,079,000; Office of the Chaplain, $123,000; Office of the Parliamentarian, including the Parliamentarian and $2,000 for preparing the Digest of Rules, $854,000; for salaries and expenses of the Office of the Historian, $310,000; for salaries and expenses of the Office of the Law Revision Counsel of the House, $1,403,000; for salaries and expenses of the Office of the Legislative Counsel of the House, $4,155,000; six minority employees, $735,000; the House Democratic Steering and Policy Committee and the Democratic Caucus, $1,461,000; the House Republican Conference, $1,461,000; and other authorized employees, $1,724,000.

ADMINISTRATIVE PROVISIONS

SEC. 101. (a) Amounts appropriated for any fiscal year for the House of Representatives under the heading "ALLOWANCES AND EXPENSES" may be transferred among the various categories of allowances and expenses under such heading, upon approval of the Committee on Appropriations of the House of Representatives.

(b) Amounts appropriated for any fiscal year for the House of Representatives under the heading "SALARIES, OFFICERS AND EMPLOYEES" may be transferred among the various offices and activities under such heading, upon approval of the Committee on Appropriations of the House of Representatives.

(c)(1) Amounts appropriated for any fiscal year for the House of Representatives under the headings specified in paragraph (2) may be transferred among such headings, upon approval of the Committee on Appropriations of the House of Representatives.

(2) The headings referred to in paragraph (1) are "HOUSE LEADERSHIP OFFICES", "MEMBERS' CLERK HIRE", "COMMITTEE EMPLOYEES", "STANDING COMMITTEES, SPECIAL AND SELECT", "HOUSE INFORMATION SYSTEMS", "ALLOWANCES AND EXPENSES", "OFFICIAL MAIL COSTS", and "SALARIES, OFFICERS AND EMPLOYEES".

SEC. 102. The provisions of H. Res. 199, approved April 1, 1991, establishing 114 civilian support positions for the Capitol Police with respect to the House of Representatives, shall be the permanent law with respect thereto.

SEC. 103. (a) Upon the transfer of any function to the Director of Non-legislative and Financial Services or the Office of General Counsel by reason of the House Administrative Reform Resolution of 1992, and upon the commencement of operation of the Office of Inspector General, the applicable amounts appropriated by the Legislative Branch Appropriations Act, 1992, or by this Act for the purposes specified in subsection (b) shall be available to the Director, the Office of General Counsel, and the Office of Inspector General for the carrying out of such function or operation, upon the approval of the Committee on Appropriations of the House of Representatives.

(b) The purposes referred to in subsection (a) are (1) salaries and expenses of the House of Representatives under the headings "ALLOWANCES AND EXPENSES" and "SALARIES, OFFICERS AND EMPLOYEES", and (2) joint items under the heading "CAPITOL GUIDE SERVICE".

SEC. 104. (a) There is established a subaccount in the appropriation account for salaries and expenses of the House of Representatives for the deposit of fees received from Members and officers of the House of Representatives for services provided to such Members and officers by the Office of the Attending Physician. The amounts so deposited shall be available, subject to appropriation, for the operations of the Office of the Attending Physician.

(b) This section shall take effect at the beginning of the first month after the month in which this Act is enacted.

JOINT ITEMS

For joint committees, as follows:

JOINT ECONOMIC COMMITTEE

For salaries and expenses of the Joint Economic Committee, $4,020,000.

JOINT COMMITTEE ON PRINTING

For salaries and expenses of the Joint Committee on Printing, $1,391,000.

JOINT COMMITTEE ON TAXATION

For salaries and expenses of the Joint Committee on Taxation, $5,759,000, to be disbursed by the Clerk of the House.

For other joint items, as follows:

OFFICE OF THE ATTENDING PHYSICIAN

For medical supplies, equipment, and contingent expenses of the emergency rooms, and for the Attending Physician and his assistants, including (1) an allowance of $1,500 per month to the Attending Physician; (2) an allowance of $500 per month each to two medical officers while on duty in the Attending Physician's office; (3) an allowance of $500 per month each to two assistants and $400 per month each to not to exceed nine assistants on the basis heretofore provided for such assistance; and (4) $973,000 for reimbursement to the Department of the Navy for expenses incurred for staff and equipment assigned to the Office of the Attending Physician, which shall be advanced and credited to the applicable appropriation or appropriations from which such salaries, allowances, and other expenses are payable and shall be available for all the purposes thereof, $1,509,000, to be disbursed by the Clerk of the House.

CAPITOL POLICE BOARD

CAPITOL POLICE

SALARIES

For the Capitol Police Board for salaries, including overtime, and Government contributions to employees' benefits funds, as authorized by law, of officers, members, and employees of the Capitol Police, $62,852,000, of which $31,000,500 is provided to the Sergeant at Arms of the House of Representatives, to be disbursed by the Clerk of the House, and $31,851,500 is provided to the Sergeant at Arms and Doorkeeper of the Senate, to be disbursed by the Secretary of the Senate.

GENERAL EXPENSES

For the Capitol Police Board for necessary expenses of the Capitol Police, including purchasing and supplying uniforms; the purchase, maintenance, and repair of police vehicles, including two-way police radio equipment; and contingent expenses, including advance payment for travel for training, protective details, and tuition and registration, expenses associated with the implementation of the Capitol Police Employee Assistance Program, including but not limited to professional referrals, and expenses associated with the awards program not to exceed $2,000, expenses associated with the relocation of instructor/liaison personnel to and from the Federal Law Enforcement Training Center as approved by the Chairman of the Capitol Police Board, and including $85 per month for extra services performed for the Capitol Police Board by such member of the staff of the Sergeant at Arms of the Senate or the House as may be designated by the Chairman of the Board, $2,029,000, to be disbursed by the Clerk of the House: *Provided*, That the funds used to maintain the petty cash fund referred to as "Petty Cash II" which is to provide for the prevention and detection of crime shall not exceed $4,000: *Provided further*, That the funds used to maintain the petty cash fund referred to as "Petty Cash III" which is to provide for the advance of travel expenses attendant to protective assignments shall not exceed $4,000: *Provided further*, That, notwithstanding any other provision of law, the cost involved in providing basic training for members of the Capitol Police at the Federal Law Enforcement Training Center for fiscal year 1993 shall be paid by the Secretary of the Treasury from funds available to the Treasury Department.

ADMINISTRATIVE PROVISION

SEC. 105. Of the amounts appropriated for fiscal year 1993 for "Capitol Police Board", "Capitol Police," such amounts as may be necessary may be transferred between the headings "Salaries", and "General expenses", upon approval of the Committees on Appropriations of the Senate and House of Representatives.

CAPITOL GUIDE SERVICE

For salaries and expenses of the Capitol Guide Service, $1,644,000, to be disbursed by the Secretary of the Senate: *Provided*, That none of these funds shall be used to employ more than thirty-three individuals: *Provided further*, That the Capitol Guide Board is authorized, during emergencies, to employ not more than two additional individuals for not more than one hundred twenty days each, and not more than ten additional individuals for not more than six months each, for the Capitol Guide Service.

SPECIAL SERVICES OFFICE

For salaries and expenses of the Special Services Office, $292,000, to be disbursed by the Secretary of the Senate.

OFFICE OF TECHNOLOGY ASSESSMENT

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Technology Assessment Act of 1972 (Public Law 92-484), including official reception and representation expenses (not to exceed $3,500 from the Trust Fund), and expenses incurred in administering an employee incentive awards program (not to exceed $1,800), rental of space in the District of Columbia, and those expenses necessary to carry out the duties of the Director of the Office of Technology Assessment under 42 U.S.C. 1395ww, and 42 U.S.C. 1395w-1, $21,025,000: *Provided*, That none of the funds in this Act shall be available for salaries or expenses of any employee of the Office of Technology Assessment in excess of 143 staff employees: *Provided further*, That no part of this appropriation shall be available for assessments or activities not initiated and approved in accordance with section 3(d) of Public Law 92-484, except that funds shall be available for the assessment required by Public Law 96-151: *Provided further*, That none of the funds in this Act shall be available for salaries or expenses of employees of the Office of Technology Assessment in connection with any reimbursable study for which funds are provided from sources other than appropriations made under this Act, or shall be available for any

other administrative expenses incurred by the Office of Technology Assessment in carrying out such a study.

CONGRESSIONAL BUDGET OFFICE

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Congressional Budget Act of 1974 (Public Law 93-344), including not to exceed $2,500 to be expended on the certification of the Director of the Congressional Budget Office in connection with official representation and reception expenses, $22,542,000: *Provided*, That none of these funds shall be available for the purchase or hire of a passenger motor vehicle: *Provided further*, That none of the funds in this Act shall be available for salaries or expenses of any employee of the Congressional Budget Office in excess of 226 staff employees: *Provided further*, That any sale or lease of property, supplies, or services to the Congressional Budget Office shall be deemed to be a sale or lease of such property, supplies, or services to the Congress subject to section 903 of Public Law 98-63.

ARCHITECT OF THE CAPITOL

OFFICE OF THE ARCHITECT OF THE CAPITOL

SALARIES

For the Architect of the Capitol; the Assistant Architect of the Capitol; and other personal services; at rates of pay provided by law, $8,286,000.

TRAVEL

Appropriations under the control of the Architect of the Capitol shall be available for expenses of travel on official business not to exceed in the aggregate under all funds the sum of $50,000.

CONTINGENT EXPENSES

To enable the Architect of the Capitol to make surveys and studies, and to meet unforeseen expenses in connection with activities under his care, $100,000, which shall remain available until expended.

CAPITOL BUILDINGS AND GROUNDS

CAPITOL BUILDINGS

For all necessary expenses for the maintenance, care and operation of the Capitol Building and electrical substations of the Senate and House Office Buildings, under the jurisdiction of the Architect of the Capitol, including furnishings and office equipment; including not to exceed $1,000 for official reception and representation expenses, to be expended as the Architect of the Capitol may approve; purchase or exchange, maintenance and operation of a passenger motor vehicle; purchase and installation of security systems which are approved by the Capitol Police Board, as authorized by House Concurrent Resolution 550, Ninety-Second Congress, agreed to September 19, 1972, the cost limitation of which is hereby further increased by $300,000; and attendance, when specifically authorized by the Architect of the Capitol, at meetings or conventions in connection with subjects related to work under the Architect of the Capitol, $23,515,000, of which $4,245,000 shall remain available until expended: *Provided*, That of the funds to remain available until expended, $1,328,000 shall be available for obligation without regard to section 3709 of the Revised Statutes, as amended.

CAPITOL GROUNDS

For all necessary expenses for care and improvement of grounds surrounding the Capitol, the Senate and House office buildings, and the Capitol Power Plant, $5,256,000.

HOUSE OFFICE BUILDINGS

For all necessary expenses for the maintenance, care and operation of the House office buildings, including the position of Superintendent of Garages as authorized by law, $32,387,000, of which $2,940,000 shall remain available until expended.

CAPITOL POWER PLANT

For all necessary expenses for the maintenance, care and operation of the Capitol Power Plant; lighting, heating, power (including the purchase of electrical energy) and water and sewer services for the Capitol, Senate and House office buildings, Library of Congress buildings, and the grounds about the same, Botanic Garden, Senate garage, and air conditioning refrigeration not supplied from plants in any of such buildings; heating the Government Printing Office and Washington City Post Office; and heating and chilled water for air conditioning for the Supreme Court Building, Union Station complex, Federal Judiciary Building and the Folger Shakespeare Library, expenses for which shall be advanced or reimbursed upon request of the Architect of the Capitol and amounts so received shall be deposited into the Treasury to the credit of this appropriation, $32,088,000, of which $665,000 shall remain available until expended: *Provided*, That not to exceed $3,200,000 of the funds credited or to be reimbursed to this appropriation as herein provided shall be available for obligation during fiscal year 1993.

ADMINISTRATIVE PROVISION

SEC. 106. There is established in the Treasury a revolving fund for the House of Representatives gymnasium. The Architect of the Capitol shall deposit in the fund such amounts as the Architect may receive as gymnasium dues or assessments from Members of the House of Representatives and other authorized users of the gymnasium. The amounts so deposited shall be available for obligation by the Architect for expenses of the gymnasium.

Mr. FAZIO (during the reading). Mr. Chairman, in order to expedite the business of the House, once again I ask unanimous consent that the bill through page 17, line 16, be considered as read, printed in the RECORD, and open to amendment at any point, and I urge the gentleman from Pennsylvania [Mr. WALKER] to please indulge us at this time with this request.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. WALKER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk concluded the reading.

AMENDMENT OFFERED BY MR. SANTORUM

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SANTORUM: Page 17, after line 16, insert the following new section:

SEC. 107. (a) Not later than November 1, 1992, the Committee on House Administration shall submit to the House of Representatives a report that identifies for each room and other space (including parking) that is currently or may be used in all House Office Buildings the following:

(1) Occupant by Members, committee, or support organization.

(2) Square footage for each space.

(3) Number of persons occupying the space.

(4) Member, committee, or legislative support organization affiliation for each person occupying the space.

(5) Use of space—Member office, committee activities, storage, for example.

(b) The report shall provide the specific information described in subsection (a) and analyze the information by Member, committee, and support organization.

(c) All Members, employees, and support personnel of the House of Representatives are asked to give their full support to this study by answering questions and providing information in a timely manner.

(d) The Committee may utilize such voluntary and uncompensated services as it deems necessary and may utilize the services, information, facilities, and personnel of the General Accounting Office, the Congressional Research Service, and other agencies of the legislative branch.

(e) Notwithstanding any law, rule, or other authority, there shall be paid from the House Office Buildings account of the House of Representatives such sums, not to exceed $50,000 as may be necessary for completion of the report.

Mr. FAZIO. Mr. Chairman, I reserve a point of order on the amendment, and would ask the gentleman to explain the amendment over perhaps the next 5 minutes.

The CHAIRMAN. The gentleman from California [Mr. FAZIO] reserves a point of order against the amendment.

Under the rule, the gentleman from Pennsylvania [Mr. SANTORUM] will be recognized for 10 minutes, and a member in opposition will be recognized for 10 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. SANTORUM].

Mr. SANTORUM. Mr. Chairman, my amendment deals with an authorization of $50,000 for the Capitol Building account for a space audit of the parts of the U.S. Capitol Building which is controlled by the House.

In the time I have been here, as the gentleman from California [Mr. FAZIO] has said, I have been diligently trying to find out how this institution is run, as the gentleman has so graciously admitted that we are learning.

One of the things I would like to be learning is how the space is allocated here, and if so, if it is done I am sure in a bipartisan fashion.

One of the things that we cannot find out is how that is done. We have talked to the Architect of the Capitol and requested some accounting as to how space is divided here in the Capitol Building, and we have been told that information is not available.

We were, however, given a blueprint of the Capitol and if we wanted to go around and ask the different offices what space belongs to what, that was our ability to do so.

I thing that is certainly not the best way to conduct business.

Again, it is a matter of being open and fair with the American public as to how this institution is managed, how this institution is run, and I think this is an important part of it.

I think one of the most important parts of a space study would be not only to see what space is allocated to whatever membership or whatever party, but also I think you will find out that there probably are a lot of safety violations and code violations here in the Capitol Building, and in the next amendment that we will deal with I will talk about this also over in the House Office Buildings.

One of the things that we have been able to find out in discussing this matter is from I believe it is the Deputy District of Columbia Fire Chief, who basically says that they do not really come in here and inspect this place. Gosh knows what they will find. This is a potential firetrap.

So not only is this amendment put forward to find out where the space is allocated, but also when the space is analyzed whether it is safe for Members and the general public who at times occupy this building, whether it is in a safe manner for them to be in this place under the current conditions.

So in the name of openness toward how this institution is run and also in the name of safety, I stand here asking that this amendment be allowed to be made in order and that the point of order not be offered.

I only can harken to the comments made by the gentleman from California that these amendments, of which I am the first, are endangered. Since we are so conscious and concerned about endangered species, this being the first one on the list today, I would hope that the gentleman from California will have as much in his heart for the Endangered Species Act as he does for this endangered amendment.

POINT OF ORDER

Mr. FAZIO. Mr. Chairman, continuing my reservation, of a point of order, I would indicate to the gentleman from Pennsylvania that if he knew my district, my love of endangered species is much tempered, so I would have to say that it would be appropriate at this time to point out to the Members that this is under the rules of the House within the purview of the Speaker.

So, Mr. Chairman, I must make a point of order against the amendment because it proposes to change existing law and constitutes legislation in an appropriations bill.

□ 1600

Therefore it violates clause 2 of rule XXI. The rule states in pertinent part, "No amendment to an appropriation bill shall be in order if changing existing law."

The amendment not only gives affirmative direction and effect, it imposes additional duties and modifies existing powers and duties.

So I must ask for a ruling from the Chair.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. SANTORUM] wish to be heard on the point of order?

Mr. SANTORUM. No, Mr. Chairman, I do not.

The CHAIRMAN (Mr. DONNELLY). The Chair will rule that the amendment clearly is authorization on an appropriation bill, and the point of order is sustained.

AMENDMENT OFFERED BY MR. SANTORUM

Mr. SANTORUM. Mr. Chairman, I offer an amendment made in order by the rule.

The Clerk read as follows:

Amendment offered by Mr. SANTORUM:

Page 17, after line 16, insert the following new section:

SEC. 107. (a) Not later than November 1, 1992, the Committee on House Administration shall submit to the House of Representatives a report that identifies for each room and other space (including parking) that is currently or may be used in all House controlled space in the Capitol complex, the following:

(1) Occupant by Member, committee, or support organization.

(2) Square footage for each space.

(3) Number of persons occupying the space.

(4) Member, committee, or legislative support organization affiliation for each person occupying the space.

(5) Use of space—Member office, committee activities, storage, for example.

(b) the report shall provide the specific information described in subsection (a) and analyze the information by Member, committee, and support organization.

(c) All Members, employees, and support personnel of the House of Representatives are asked to give their full support to this study by answering questions and providing information in a timely manner.

(d) The Committee may utilize such voluntary and uncompensated services as it deems necessary and may utilize the services, information, facilities, and personnel of the General Accounting Office, the Congressional Research Service, and other agencies of the legislative branch.

(e) Notwithstanding any law, rule, or other authority, there shall be paid from the Capitol Buildings account of the Architect of the Capitol such sums, not to exceed $50,000 as may be necessary for completion of the report.

Mr. FAZIO. Mr. Chairman, I must rise again to reserve a point of order on the gentleman's amendment, and of course I would ask the gentleman to explain it.

The CHAIRMAN. The gentleman from California [Mr. FAZIO] reserves a point of order against the amendment of the gentleman from Pennsylvania [Mr. SANTORUM].

The gentleman from Pennsylvania [Mr. SANTORUM] will be recognized for 10 minutes, and a Member in opposition will be recognized for 10 minutes.

Mr. SANTORUM. Mr. Chairman, this amendment is similar to the previous amendment in that it authorizes a study for the House office buildings across the street. Again, I would just make the same points as to what space has been allocated. Looking around my office as I did this morning for the various cords and contraptions that are hooked up in a modern day technologically advanced House of Representatives, in buildings which were not built for that purpose, I think a study of the space and safety in this House is absolutely required. I would hope—and I anticipate that the gentleman is going to object and make a point of order on this—I would hope that while this particular amendment is not offered, like my amendment last which was stricken, that I hope that next time we come around for this legislative appropriations bill there will be such a study done, not only to determine what space is allocated to Members but also determine whether we are in fact inhabiting the space it is safe for us to inhabit.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. SANTORUM. I am happy to yield to the gentleman from Kansas.

Mr. ROBERTS. I thank the gentleman for yielding.

I understand a point of order will be raised. I understand this is within the purview of the Speaker. I also understand that that is part of the problem.

Mr. Chairman, I am sentenced to continue whatever existence I have here in regards to the privilege I have of serving my district, to the Longworth Building. The sometimes powerful House Agriculture Committee meets on the third floor and I am one of those Members who believes in attending all the subcommittee and committee hearings. So that is where I live. It has taken me six terms to get to the first floor.

Mr. FAZIO and I have discussed repeatedly the need for what we call a new and modern elevator system, so we could go to and from. I keep in shape in the Longworth Building by going up and down the stairs.

One of the real pressure points, one of the real frustrations, is to go around the Longworth Building and see what space is alloted to Members, more especially new Members. And we are going to have at least 125, some say 150; they are going to come to this body, to this Congress, and they are going to be shocked to find out that they will be crammed into 2 small rooms with the amount of staff and not enough room to really work.

My point is we should not have to spend $50,000 to do an office space study. It should be done. And I can also say, when you ask the Architect—and I have the utmost respect for George White and his staff—there is no way that you can find out who occupies what.

Then you get these sudden occurrences where one Member all of a sudden found a palatial suite on the fifth floor of Longworth and the nurse was then transferred to another area. Or one Member, through the room drawing, was not permitted to have a room and so we had to exchange a room with a powerful committee chairman.

That is just not the right procedure. So it is not only a matter of safety, it

is not only a matter of convenience for a new Member, it is let Members have enough space to at least conduct their business.

I know I am treading on some thin ice here, but several committee chairmen have suite after suite after suite for receptions. I used to walk by when I was a member, when I worked for my predecessor, and saw LSO's occupying office space, one person in the room, filing on their fingernails, and I wondered why we were forced to live in two small offices.

Mr. Chairman, this is not right. The gentleman from Pennsylvania [Mr. SANTORUM] is accurate, the gentleman is pertinent, and it is a shame we do not make this in order. We do not need the $50,000. It ought to be an open procedure. I would encourage my friend from California to withdraw the point of order and let us at least have a study of where the current offices are and where offices actually should be.

I thank the gentleman.

Mr. FAZIO. Mr. Chairman, continuing on my reservation, I might add that I have worked closely with the gentleman from Kansas [Mr. ROBERTS], and I would like to say it is important for the House Office Buildings Commission to meet and agree to the elevator improvements that need to be made in the Cannon and Longworth Buildings. In fact, we were not in a position to fund them this year financially or legally as a result of the fact that the commission has not met and approved them. They are very important to the efficiency and productivity of Members who are in those two buildings.

I think the proper approach the gentleman should take would be to go to the committees of jurisdiction, I believe that would be the Committee on House Administration and the Committee on Public Works' Subcommittee on Public Buildings. I think the gentleman may have a point, but I must at this point, given the time in which it is submitted to me, insist on my point of order, which would be the same point I made on the last one.

Mr. SANTORUM. Mr. Chairman, if the gentleman would yield, is the gentleman saying that when I go to the Committee on House Administration, I go there with his support?

Mr. FAZIO. I think a study on the House office buildings would be worth looking at. I am not exactly sure how it should be conducted. But I certainly think there is a bipartisan benefit to that.

Mr. SANTORUM. As the chairman of the Committee on House Administration is sitting directly behind the gentleman, I would hope that he pays attention to that, and I wish that when I do come with this amendment, he will make it part of the legislation.

POINT OF ORDER

Mr. FAZIO. I must at this time, Mr. Chairman, insist on my point of order, because it proposes to change existing law and constitutes legislation in an appropriation bill and therefore violates clause 2 of Rule XXI.

The rule states in pertinent part:

No amendment to a general appropriation bill shall be in order if changing existing law. * * *

The amendment:

First, gives affirmative direction in effect;

Second, imposes additional duties; and

Third, modifies existing powers and duties.

I ask for a ruling from the Chair.

The CHAIRMAN (Mr. DONNELLY). Does the gentleman from Pennsylvania [Mr. SANTORUM] wish to be heard on the point of order?

The gentleman does not wish to be heard on the point of order.

The Chair shall rule that, clearly, this amendment is legislation on an appropriation bill, and the point of order is sustained.

Mr. FAZIO. Mr. Chairman, I wish once again to try to expedite matters for the Members today, particularly because I know that we could go right to the amendment which the gentleman from California [Mr. COX] is going to offer, if we could receive unanimous consent that the bill, through page 28, line 19, could be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. WALKER. I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The clerk read as follows:

LIBRARY OF CONGRESS

CONGRESSIONAL RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of section 203 of the Legislative Reorganization Act of 1946, as amended by section 321 of the Legislative Reorganization Act of 1970 (2 U.S.C. 166) and to revise and extend the Annotated Constitution of the United States of America, $56,583,000: *Provided*, That no part of this appropriation may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Administration or the Senate Committee on Rules and Administration: *Provided further*, That notwithstanding any other provision of law, the compensation of the Director of the Congressional Research Service, Library of Congress, shall be at an annual rate which is equal to the annual rate of basic pay for positions at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

For authorized printing and binding for the Congress; printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (44 U.S.C. 902); printing and binding of Government publications authorized by law to be distributed to Members of Congress; and printing, binding, and distribution of Government publications authorized by law to be distributed without charge to the recipient, $89,591,000: *Provided*, That this appropriation shall not be available for printing and binding part 2 of the annual report of the Secretary of Agriculture (known as the Yearbook of Agriculture) nor for copies of the permanent edition of the Congressional Record for individual Representatives, Resident Commissioners or Delegates authorized under 44 U.S.C. 906: *Provided further*, That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years.

This title may be cited as the "Congressional Operations Appropriations Act, 1993".

TITLE II—OTHER AGENCIES

BOTANIC GARDEN

SALARIES AND EXPENSES

For all necessary expenses for the maintenance, care and operation of the Botanic Garden and the nurseries, buildings, grounds, and collections; and purchase and exchange, maintenance, repair, and operation of a passenger motor vehicle; all under the direction of the Joint Committee on the Library, $2,906,000: *Provided*, That effective upon enactment of this Act, such amount, not exceeding $500,000, deemed necessary for preparation of working drawings, specifications, and cost estimates for renovation of the Conservatory of the Botanic Garden may be transferred to the Botanic Garden appropriation from among the various Architect of the Capitol appropriations, upon approval of the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate.

ADMINISTRATIVE PROVISION

SEC. 201. Pursuant to section 307E of the Legislative Branch Appropriations Act, 1989 (40 U.S.C. 216c), not more than $6,000,000 shall be accepted and not more than $6,000,000 of the amounts accepted shall be available for obligation by the Architect of the Capitol for constructing, equipping, and maintaining the National Garden.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

For necessary expenses of the Library of Congress, not otherwise provided for, including development and maintenance of the Union Catalogs; custody and custodial care of the Library Buildings; special clothing; cleaning, laundering and repair of uniforms; preservation of motion pictures in the custody of the Library; operation and maintenance of the American Folklife Center in the Library; preparation and distribution of catalog cards and other publications of the Library; hire or purchase of one passenger motor vehicle; and expenses of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the Board, $200,073,000, of which not more than $7,500,000 shall be derived from collections credited to this appropriation during fiscal year 1993 under the Act of June 28, 1902, as amended (2 U.S.C. 150): *Provided*, That the total amount available for obligation shall be reduced by the amount by which collections are less than the $7,500,000: *Provided further*, That of the total amount appropriated, $7,669,000 is to remain available until expended for acquisition of books, periodicals, and newspapers, and all other mate-

rials including subscriptions for bibliographic services for the Library, including $40,000 to be available solely for the purchase, when specifically approved by the Librarian, of special and unique materials for additions to the collections: *Provided further*, That, notwithstanding the provisions of 2 U.S.C. 150, as amended, $303,000 is to be available to support the catalog cards service: *Provided further*, That, of the total amount appropriated, $3,186,000 is to remain available until expended for the rental and outfitting for a warehouse and book storage facility away from Capitol Hill.

COPYRIGHT OFFICE

SALARIES AND EXPENSES

For necessary expenses of the Copyright Office, including publication of the decisions of the United States courts involving copyrights, $26,040,000, of which not more than $14,500,000 shall be derived from collections credited to this appropriation during fiscal year 1993 under 17 U.S.C. 708(c), and not more than $2,217,000 shall be derived from collections during fiscal year 1993 under 17 U.S.C. 111(d)(2), 116(c)(1), 119(b)(2), and 1013: *Provided*, That the total amount available for obligation shall be reduced by the amount by which collections are less than the $16,717,000: *Provided further*, That $200,000 of the amount appropriated is available for the maintenance of an "International Copyright Institute" in the Copyright Office of the Library of Congress for the purpose of training nationals of developing countries in intellectual property laws and policies.

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENSES

For salaries and expenses to carry out the provisions of the Act approved March 3, 1931, as amended (2 U.S.C. 135a), $43,144,000, of which $10,377,000 shall remain available until expended.

FURNITURE AND FURNISHINGS

For necessary expenses for the purchase and repair of furniture, furnishings, office and library equipment, $4,490,000.

ADMINISTRATIVE PROVISIONS

SEC. 202. Appropriations in this Act available to the Library of Congress shall be available, in an amount not to exceed $175,690, of which $54,800 is for the Congressional Research Service, when specifically authorized by the Librarian, for attendance at meetings concerned with the function or activity for which the appropriation is made.

SEC. 203. (a) No part of the funds appropriated in this Act shall be used by the Library of Congress to administer any flexible or compressed work schedule which—

(1) applies to any manager or supervisor in a position the grade or level of which is equal to or higher than GS–15; and

(2) grants such manager or supervisor the right to not be at work for all or a portion of a workday because of time worked by the manager or supervisor on another workday.

(b) For purposes of this section, the term "manager or supervisor" means any management official or supervisor, as such terms are defined in section 7103(a) (10) and (11) of title 5, United States Code.

SEC. 204. Appropriated funds received by the Library of Congress from other Federal agencies to cover general and administrative overhead costs generated by performing reimbursable work for other agencies under the authority of 31 U.S.C. 1535 and 1536 shall not be used to employ more than 65 employees and may be expended or obligated—

(1) in the case of a reimbursement, only to such extent or in such amounts as are provided in appropriations Acts; or

(2) in the case of an advance payment, only—

(A) to pay for such general or administrative overhead costs as are attributable to the work performed for such agency; or

(B) to such extent or in such amounts as are provided in appropriations Acts, with respect to any purpose not allowable under subparagraph (A).

SEC. 205. Not to exceed $5,000 of any funds appropriated to the Library of Congress may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for the Library of Congress incentive awards program.

SEC. 206. Not to exceed $12,000 of funds appropriated to the Library of Congress may be expended, on the certification of the Librarian of Congress or his designee, in connection with official representation and reception expenses for the Overseas Field Offices.

ARCHITECT OF THE CAPITOL

LIBRARY BUILDINGS AND GROUNDS

STRUCTURAL AND MECHANICAL CARE

For all necessary expenses for the mechanical and structural maintenance, care and operation of the Library buildings and grounds, $9,733,000, of which $860,000 shall remain available until expended.

COPYRIGHT ROYALTY TRIBUNAL

SALARIES AND EXPENSES

For necessary expenses of the Copyright Royalty Tribunal, $911,000, of which $781,000 shall be derived by collections from the appropriation "Payments to Copyright Owners" for the reasonable costs incurred in proceedings involving distribution of royalty fees as provided by 17 U.S.C. 807.

GOVERNMENT PRINTING OFFICE

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

For expenses of the Office of Superintendent of Documents necessary to provide for the cataloging and indexing of Government publications and their distribution to the public, Members of Congress, other Government agencies, and designated depository and international exchange libraries as authorized by law, $29,082,000: *Provided*, That travel expenses, including travel expenses of the Depository Library Council to the Public Printer, shall not exceed $120,000: *Provided further*, That funds, not to exceed $2,000,000, from current year appropriations are authorized for producing and disseminating Congressional Serial Sets and other related Congressional/non-Congressional publications for 1989 and 1990 to depository and other designated libraries.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

The Government Printing Office is hereby authorized to make such expenditures, within the limits of funds available and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs and purposes set forth in the budget for the current fiscal year for the "Government Printing Office revolving fund": *Provided*, That not to exceed $2,500 may be expended on the certification of the Public Printer in connection with official representation and reception expenses: *Provided further*, That the revolving fund shall be available for the hire or purchase of passenger motor vehicles not to exceed a fleet of twelve: *Provided further*, That expenditures in connection with travel expenses of the advisory councils to the Public Printer shall be deemed necessary to carry out the provisions of title 44, United States Code: *Provided further*, That the revolving fund shall be available for services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for level V of the Executive Schedule (5 U.S.C. 5316): *Provided further*, That the revolving fund and the funds provided under the paragraph entitled "Office of Superintendent of Documents, Salaries and Expenses" together may not be available for the full-time equivalent employment of more than 4,950 workyears: *Provided further*, That the revolving fund shall be available for expenses not to exceed $500,000 for the development of plans and design of a multi-purpose facility: *Provided further*, That the revolving fund shall not be used to administer any flexible or compressed work schedule which applies to any manager or supervisor in a position the grade or level of which is equal to or higher than GS–15, nor to any employee involved in the in-house production of printing and binding: *Provided further*, That expenses for attendance at meetings shall not exceed $75,000.

ADMINISTRATIVE PROVISION

SEC. 207. (a) Section 206 of the Legislative Branch Appropriations Act, 1991 (44 U.S.C. 501 note) shall not apply with respect to funds appropriated for fiscal year 1993.

(b)(1) None of the funds appropriated for fiscal year 1993 by this Act or any other law may be obligated or expended by any entity of the executive branch for the procurement of any printing related to the production of Government publications (including forms, CD–ROM's, and map/chart products), unless such procurement is by or through the Government Printing Office.

(2) Paragraph (1) does not apply to (A) individual printing orders costing not more than $1,000, if the work is not of a continuing or repetitive nature, and, as certified by the Public Printer, cannot be provided by the Government Printing Office, (B) printing for the Central Intelligence Agency, the Defense Intelligence Agency, or the National Security Agency, or (C) printing from commercial sources that is specifically authorized by law.

(3) As used in this subsection, the term "printing" means the process of composition, platemaking, presswork, silk screen processes, binding, microform, and CD–ROM replication, and the end items of such processes.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

For necessary expenses of the General Accounting Office, including not to exceed $7,000 to be expended on the certification of the Comptroller General of the United States in connection with official representation and reception expenses; services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for level IV of the Executive Schedule (5 U.S.C. 5315); hire of one passenger motor vehicle; advance payments in foreign countries in accordance with 31 U.S.C. 3324; benefits comparable to those payable under sections 901(5), 901(6) and 901(8) of the Foreign Service Act of 1980 (22 U.S.C. 4081(5), 4081(6) and 4081(8), respectively); and under regulations prescribed by the Comptroller General of the United States, rental of living quarters in foreign countries and travel benefits comparable with those which are now or hereafter may be granted single

employees of the Agency for International Development, including single Foreign Service personnel assigned to A.I.D. projects, by the Administrator of the Agency for International Development—or his designee—under the authority of section 636(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2396(b)); $442,167,000: *Provided*, That not more than $1,200,000 of reimbursements received incident to the operation of the General Accounting Office Building shall be available for use in fiscal year 1993: *Provided further*, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the Joint Financial Management Improvement Program (JFMIP) shall be available to finance an appropriate share of JFMIP costs as determined by the JFMIP, including but not limited to the salary of the Executive Director and secretarial support: *Provided further*, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum shall be available to finance an appropriate share of Forum costs as determined by the Forum, including necessary travel expenses of non-Federal participants. Payments hereunder to either the Forum or the JFMIP may be credited as reimbursements to any appropriation from which costs involved are initially financed: *Provided further*, That to the extent that funds are otherwise available for obligation, agreements or contracts for the removal of asbestos, and renovation of the building and building systems (including the heating, ventilation and air conditioning system, electrical system and other major building systems) of the General Accounting Office Building may be made for periods not exceeding five years: *Provided further*, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the American Consortium on International Public Administration (ACIPA) shall be available to finance an appropriate share of ACIPA costs as determined by the ACIPA, including any expenses attributable to membership of ACIPA in the International Institute of Administrative Sciences: *Provided further*, That, notwithstanding any other provision of law, $2,191,000 of this appropriation shall be available for the planning, administering, receiving, sponsoring and such other expenses as the Comptroller General deems necessary to represent the United States as host of the 1992 triennial Congress of the International Organization of Supreme Audit Institutions (INTOSAI): *Provided further*, That the General Accounting Office is authorized to solicit and accept contributions to be held in trust, which shall be available without fiscal year limitation, not to exceed $20,000, for any purpose related to the 1992 triennial Congress.

□ 1610

AMENDMENT OFFERED BY MR. COX OF CALIFORNIA

Mr. COX of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. COX of California: Page 29, line 19, strike "$442,167,000" and insert "$333,333,000".

The CHAIRMAN. Under the rule, the gentleman from California [Mr. COX] is recognized for 20 minutes in support of his amendment and a Member in opposition will be recognized for 20 minutes.

Mr. FAZIO. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California.

The CHAIRMAN. The gentleman from California [Mr. FAZIO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. COX].

Mr. COX of California. Mr. Chairman, I rise as a 4-year member of the Committee on Government Operations and as the Republican cochairman of the congressional Grace caucus, which is dedicated to enacting into law the cost-saving recommendations of the Grace Commission.

Mr. Chairman, the purpose of this amendment is to fund one part of our congressional staff, the General Accounting Office, at one-third of a billion dollars annually. It is this Member's view that one-third of a billion dollars for this one part of our congressional staff is ample for the General Accounting Office to continue to do the work that we require of it.

As a consequence of my amendment, Mr. Chairman, the General Accounting Office will have a 50-percent funding increase over fiscal year 1980. In 1980, the General Accounting Office received $204 million. The current request is for the General Accounting Office to receive a number far more than double that, $442 million. From fiscal 1990 to fiscal 1991, the budget for this part of our congressional staff was increased 14 percent; from fiscal year 1991 to fiscal year 1992, another 8 percent. This was largely passed through to staff salary increases—to pay raises for our congressional staff—so that the average cost per position at the GAO increased in 1991 by 7½ percent, and in 1992, by 7.8 percent.

Mr. Chairman, it is time that we get our deficit under control, and certainly spending on Congress itself needs to be looked at from the standpoint of reducing overhead.

Mr. Chairman, out there in America there is not much constituency for increased congressional spending on itself. I have received phone calls, letters, and post cards from my constituents asking for increased spending on a variety of subjects, on health, on education, on science, on the environment, even on defense. But never, Mr. Chairman, have I received a single request for more spending on congressional staff.

OVERALL BUDGET

	GAO budget	Percent change (over previous year)
Year:		
1980	$204,000,000	
1985	299,000,000	
1988	330,000,000	7 percent increase.
1989	346,000,000	5 percent increase.
1990	358,000,000	3 percent increase.
1991	409,000,000	14 percent increase.
1992	443,000,000	8 percent increase.
1993 (request)	442,000,000	

The Cox amendment would reduce the GAO budget to $333 million—essentially, a return to the FY 1988 budget.

COMPARATIVE SIZE OF GAO

GAO budget accounts for one-quarter of legislative branch.

GAO staff of 5,062 represents one-quarter of all legislative branch staff—that's almost 10 GAO staffers for every Member of Congress.

GAO budget is eight times the size of the Congressional Research Service's budget, nearly 10 times the size of the budget of the Office of Management and Budget, and 21 times the size of the Congressional Budget Office's budget.

WORKLOAD

Year:	Percent
	Percent
1969	[1] 10
1980	35
1985	57
1991	80

[1] Percent of GAO reports initiated by Congress.

DETAILEES

	No. of detailees	Cost to taxpayers
Year:		
1988	117	$3,500,000
1989	143	4,300,000
1990	172	5,300,000
1991		

INDEPENDENCE OF THE GAO

As recently as 20 years ago, the GAO initiated most of its own studies. For instance, in 1969, only 10 percent of GAO's reports were in response to congressional requests. That number grew to 35 percent by 1980, and to 57 percent by 1985. Today, Congressional requests account for fully 80 percent of GAO's workload. The dramatic increase over the last 20 years in congressional demands on GAO has left the agency with less time and fewer resources to spend on self-initiated work.

Combined with the fact that GAO's staff has a low turnover rate—GAO has a retention rate of 94%—there is good reason to believe that GAO has—perhaps not through any fault of its own—become an agency staffed by career bureaucrats and beholden to the majority: A Democratic lap dog instead of a congressional watchdog.

The professionalism and independence of the GAO is essential to its credibility and effectiveness.

Even the liberal Washington Post recognizes the importance of maintaining the integrity and independence of the GAO:

"But the suggestion that the agency is less than independent in its approach and that its studies tilt in the direction of its congressional masters is heard often enough to warrant a closer look. . . ." (July 10, 1991, editorial).

What's more, Harry Havens, one of GAO's 11 assistant comptroller generals, has even publicly acknowledged that GAO's close ties to Congressional Democrats "could pose significant risks to the credibility" of the watchdog agency. (July 30, 1990, New York *Times*).

Democrat Senator Harry Reid, chairman of the Subcommittee on Legislative Appropriations, thinks that GAO already has a credibility gap: "Maybe your work isn't as good as it used to be . . . I rarely find anybody anymore that respects your work." (quoted in February 13, 1992 Roll Call).

GAO's handling of the House bank scandal highlights just how cozy the relationship between the Congress and the supposedly independent GAO really has become. Prior to

1977, the GAO always cited specifics in its reports on the House bank with regard to overdrafts and check-kiting. All this changed in 1977, when GAO audits of the House bank became public. After that, overdrafts didn't play nearly as large a part in the GAO reports, largely because GAO auditors were persuaded by Democratic leaders to remove the documentation in a made-to-order audit.

DETAILEES

1988: 117, at a cost of $3.5 million to GAO.
1989: 143, at a cost of $4.3 million to GAO.
1990: 172, at a cost of $5.3 million to GAO.

Of 1990's 172 detailees, only one was approved for the Republicans. The Energy and Commerce Committee alone had 33 detailees, and the Committee on Government Operations had 26 detailees—more than the committee's entire minority staff of 17 persons. This large number of detailees has given the majority a huge advantage in investigative manpower.

While the GAO has taken steps in the past year to improve this situation—now, for instance, the authorization of a detailee is subject to the approval of both majority and minority—Republicans are still essentially excluded from all but the final stages of the detailing process.

GAO'S "MEASURABLE FINANCIAL SAVINGS"

In this year's debate, a number of Democrat chairmen—Dingell, Conyers, Synar, Fazio—made the argument that the GAO has served the public well by saving taxpayers billions of "real dollars" each year in government waste, fraud, and abuse.

Exactly how much of this "savings" is actually, and directly, the result of GAO's actions? While Democrats and Republicans certainly agree that there really is a lot of government waste—e.g., $600 toilet seats at the Pentagon—there is good reason to suspect that GAO's $33.8 billion in measurable savings is inaccurate and misleading.

It is helpful to break down some of the larger items that comprise the $33.8 billion.

The largest single item is $8.6 billion—that's 25 percent of the total savings—which, according to GAO, represents the amount which Congress "saved" by not enacting legislation to increase Social Security benefits for "notch" babies.

Two points need to be made: (1) This "cost-avoidance" does not constitute real savings—any more than a decision by the Congress not to give every taxpayer a million-dollar rebate would save the government money. (2) It is presumptive—not to mention misleading—for GAO to claim credit for such savings. The same is true of most of GAO's measurable savings. Two other big-ticket items in the $33.8 billion are: $4.3 billion in savings for restructuring the B-2 Bomber program; $4 billion in savings for scrutinizing Defense Department budget requests.

GAO claims full credit for these savings—cuts which Congress would certainly have made anyhow.

Mr. Chairman, I yield such time as he may consume to the distinguished Republican leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, and my colleagues, I rise to make several points here with respect to the amendment of the gentleman from California [Mr. COX]. I'm not altogether sure I am wedded to the amount that he would like to cut from this bill, but there are several pertinent points that ought to be made with respect to the General Accounting Office.

Mr. Chairman, we tend to think of partisanship as a problem of our time. But more than 2,000 years ago a keen observer of political reality has this to say: "The partisan, when he is engaged in a dispute, cares nothing about the rights of the question, but is anxious only to convince his hearers of his own assertions."

These words, Mr. Chairman, remind us of the recurring problem in political affairs when partisanship, a form of advocacy, substitutes for, or is disguised as, objectivity. That problem is at the heart of our debate today.

When the General Accounting Office was created in 1921, it was meant to be a nonpartisan arm of the Congress. Back then the Congress realized that, in order to be effective, the GAO must maintain its credibility. In order to maintain its credibility, the GAO must be nonpartisan. Unfortunately, over the last several years, the partisan nature of GAO has compromised its credibility and, thus, has limited its effectiveness.

We on the Republican side, quite frankly, do not believe much of what the GAO is telling us, and we have ample reason for this distrust.

I will say early on, when I was on the Committee on Appropriations for those 20 years, we relied heavily on GAO. I subscribed then to the fact that they did a marvelous job for us. They gave us hard, cold, fast figures. We did not subscribe to them all the time because we had to insert the political element. But their basic fundamental work was what they were designed to do in assisting the Congress.

However, Mr. Chairman, they have gone afield from that. There are plenty of examples where the GAO revealed its partisanship relationship with the Democrat majority.

There was the botched GAO report on the BCCI scandal which neglected to mention the important role of prominent Democrats. There was the refusal of the GAO to allow Republican Members knowledge of a preliminary October Surprise investigation. And, of course, there is the problem of detailees.

The Government Operations Committee has a total of 26 detailees from the GAO at a cost of $854,000. The entire Republican staff of the Committee on Government Operations is only 17, with a budget of $269,000.

Mr. Chairman, that is the kind of thing we are talking about here. GAO is not meant to be an adjunct wing of the Democrat majority, but that is what it has become, and that is why the time for reform of the GAO has also come.

In making mention of the detailees and the numbers, it is a way, in more recent years, to kind of shield the cost of what some of our committee staffs are actually costing the taxpayers. Instead of being charged up in the legislative appropriations bill directly as a cost of Members' staff and allowance, and committee structure, it is hidden, through detailees from the General Accounting Office.

So, in a sense the gentleman is certainly correct in raising the question as he does. I am not altogether sure the amount he has in mind cutting here is the appropriate amount. I will say Mr. Bowsher happens to have been my recommendation as the Comptroller General, and at the given time he has done a marvelous job in recruiting people to the cause. A good measure of the increase in costs are increases in mandated salary and benefits. The number of employees, quite frankly, have not changed all that much in that particular shop.

I do not want to be found guilty in supporting any kind of amendment that is going to do the Congress a disservice in getting at the facts and appropriate figures. I want to give them the tools to work with.

However, Mr. Chairman, I say to my colleagues, "In view of the comments that I have made up to this juncture, you get the general impression that I'm not all that happy about how events have unfolded, and maybe a nick here, a little nick there, and some reminder will get us the kind of results and reform that we're looking for."

Mr. Chairman, I appreciate the gentleman from California [Mr. COX] having yielded this time to me so that I could make this point, and maybe we will have an opportunity to engage in dialog later on in the debate.

Mr. FAZIO. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. WOLPE], chairman of the Subcommittee on Investigations and Oversight of the Committee on Science, Space, and Technology.

Mr. WOLPE. Mr. Chairman, I rise in strong opposition to the amendment to cut the appropriation for the General Accounting Office.

As the chairman of the Investigations and Oversight Subcommittee of the Committee on Science, Space, and Technology, I have been examining the management practices of civilian research and development agencies—primarily the Department of Energy and NASA. In just the last 9 months, GAO has sent me 10 reports and has testified before my subcommittee on numerous occasions. In my opinion, GAO has provided high-quality, accurate, and balanced analysis, including many recommendations for correcting costly management problems.

For example, GAO has helped us to identify opportunities to improve the negotiation and administration of procurement contracts at NASA to better protect the interests of the American taxpayer. As a result of GAO's work in this area, we should be able to avoid another fiasco like the Hubble telescope where the taxpayer got stuck

with a billion dollar satellite that does not perform to specification.

And I would emphasize that NASA itself has benefited from GAO's work, agreeing to implement most of GAO's recommendations in recent years.

Let me give you another example. We asked GAO to examine the Department of Energy's accounting system to determine how the Department tracked obligations to its numerous contractors. GAO discovered that there is over $2 billion rattling around inside the DOE complex, and that DOE has no system in place to account for these funds. GAO found that this previously obligated—but uncommitted—money is not even considered when DOE prepares its annual budget proposal.

As a result of GAO's work on this issue, the fiscal 1993 energy and water appropriation bill that passed the House last week was reduced by $187 million. Let's put that number in perspective. The amendment before us would cut GAO funding by about $110 million. But the work that GAO did for our subcommittee alone on just one job has resulted in savings of $187 million in the next fiscal year.

And I would add that the DOE controller has embraced GAO's recommended changes to its accounting system, and GAO's work will lead to even greater savings in the years ahead.

This amendment is clearly penny-wise and pound-foolish. Such a deep cut in GAO's funding will curtail Congress' ability to conduct aggressive oversight of the Federal bureaucracy. And I submit that curtailing congressional oversight—not saving money—may in fact be the motive behind this amendment. I have always adopted a nonpartisan approach to congressional oversight. I feel that we, as Members of Congress, have an institutional and constitutional responsibility to ensure that the programs and activities that we fund are carried out in an effective and efficient manner.

But some Members on the other side of the aisle seem intent upon curtailing such efforts. This situation drips with irony.

When Ronald Reagan rode into town in 1981, the Federal bureaucracy was the enemy, and the battlecry of the Republican party was waste, fraud, and abuse.

How things have changed in 12 years. The Republican party has controlled the executive branch for so long it has become the apologist for the Federal bureaucracy and the waste, fraud, and abuse that it generates. That is what this amendment is all about.

Supporters of this amendment feebly claim that it will save money. That is dead wrong. If you restrict the ability of the General Accounting Office to do its job, you will actually cost the taxpayers money. If passed, this amendment would not protect the interests of the taxpayer, it would protect the interests of the Federal bureaucracy.

If you support waste, fraud, and abuse, you should vote "yes" on the Cox amendment, because that is the effect of this amendment. If you believe that the American people deserve to have an effective watchdog agency keeping an eye on how the Federal bureaucracy spends our tax dollars, you should vote "no" on the Cox amendment.

It is as simple as that. I urge that this ill-conceived amendment be defeated.

□ 1620

Mr. COX of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my colleague, the gentleman from Michigan [Mr. WOLPE], has made a valid point, which is that on many occasions the General Accounting Office does high-quality work.

That is not what this is all about. Most Americans are literally stunned to find out it costs $2.3 billion to pay for the Congress itself; that 535 men and women comprising the House and Senate spend $2.3 billion to run their own operation.

Now, we can talk a lot about the House bank and the House post office, or trying to save money by cutting off the House gym. But most of us know that it is not where the money is.

We have to look at how Congress finances its overhead, its own staff. Without question, the largest single amount is buried over at the General Accounting Office, one-quarter of the entire legislative budget, one-third of all legislative staff.

How big is GAO? Well, OMB has 600-some people. GAO has over 5,000 people.

Just by way of comparison, the international organization, the OECD, that does economic analysis for the world's 27 industrial countries, has a total staff of 1,800 people. Now, imagine, there are over 5,000 people at the General Accounting Office. I think we can scale that back substantially, and still do the job that Congress requires of itself.

This one part of our congressional staff, as I mentioned, is now seeking this year $442 million, nearly one-half of $1 billion. My amendment will fund it at one-third of $1 billion. That is ample.

Ross Perot is abroad in the land right now telling people we have got to come to Washington, DC, and balance the budget and cut spending.

If we are not willing to cut spending on our own staff, my colleagues, we are not going to cut it anywhere.

The distinguished Republican leader mentioned that the impartiality of recent General Accounting Office reports has been questioned. There was a recent article in the American Spectator headlined "There Is No Accounting for Congress." The subheadline was, "Especially if GAO Is Cooking the Numbers."

In the opening of the article our colleague from the other body, Senator KIT BOND, is quoted as saying, "With the GAO you can get anything you want." There is a little illustration here of Alice's Restaurant, depicting "The Alice's Restaurant of the Legislative Branch, the General Accounting Office."

That is because increasingly Congress itself is directing the results and conclusions of GAO reports. In 1969, 10 percent of the General Accounting Office's reports were initiated by Congress. By 1991 that had risen to 90 percent.

Literally, GAO is the staff of Congress. Literally, GAO is being driven by congressional committees. In fact, GAO has so many staff that it actually loans them to congressional committees.

Between 100 and 200 members of GAO's staff at any given time are detailed to congressional committees, working for the committee chairmen there, at a cost annually of between $4 and $5 million.

As a result of the increasing amount of money and staff at GAO, the place is running, I am sad to say, out of control. Some of GAO's reports are good and some are not.

My Democratic colleagues will be objecting, I believe, on the ground that if you are against fraud, waste, and abuse, you have got to have the GAO. I have seen a "Dear Colleague" sent around that says if you support waste, fraud, and abuse, you should vote "yes" on the Cox amendment.

Well, frankly, in 1921, when the General Accounting Office was started, its mission was to end fraud, waste, and abuse. Now it has become a one-half billion dollar bureaucracy in and of itself.

My mission is simply this: Cut the overhead, get the staff under control. One-third of $1 billion for this part of our staff is absolutely ample.

Mr. Chairman, let me add that the impartiality of the General Accounting Office, which has been called into question because of the direction of conclusions and the directions of reports by committee chairs, is something that we could get around if we had an authentically impartial auditing agency do these reports.

I checked with Price Waterhouse, the highly respected accounting firm. I asked them:

> How much does it cost to do all of your audits nationwide, with 110 offices, and over 9,000 professionals for all of your tens of thousands of clients in America?

The answer was: $357 million.

Now, we are about to spend $442 million in this bill on the General Accounting Office. In other words, we could supplant *all* of Price

Waterhouse's clients across America, and hire Price Waterhouse full-time to do this, and *still* save nearly $100 million—precisely the amount that I would like to save by this amendment.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. COX of California. Mr. Chairman, I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I thank my colleague for yielding. I want to acknowledge that to me the gentleman is an invaluable member of the Committee on Government Operations. He has not been here an awfully long time to read back some of the reports and accomplishments.

But I would say to the gentleman that in all fairness to this debate, can the gentleman not remember anything in which, through the GAO, we have done a good job? Do you not have a list of things that even with this amount of money that the gentleman feels is too much, have they not accomplished anything?

Mr. Chairman, let us be honest about it. Is this an attempt to really cut out oversight in the Congress and cripple us in this very important area of work, or does the gentleman just not know any better?

Mr. COX of California. Mr. Chairman, I appreciate the question put to me by my distinguished chairman, and I will say this, that one-third of $1 billion is an extraordinary amount of money to do the kind of work that we need from our congressional staff. I believe it is important for us to have staff for this purpose, but I also believe that one-third of $1 billion is ample for this purpose.

The CHAIRMAN. The Chair would advise that the gentleman from California [Mr. COX] has 6 minutes remaining, and the gentleman from California [Mr. FAZIO] has 17 minutes remaining.

Mr. FAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. MURTHA], the chairman of the Subcommittee on Defense of the Committee on Appropriations.

Mr. MURTHA. Mr. Chairman, let me just say this: That your Subcommittee on Defense of the Committee on Appropriations handles more money than any country in the world except for three countries, and we rely on the GAO substantially to make recommendations to us many times about where we can make savings. Some of those recommendations we do not take. Some of those we argue with.

□ 1630

Some of them we are critical of, but one *Seawolf* submarine costs more than the operation of the entire Congress. As a matter of fact, when we look at the amount of money that Congress spends, the amount of money that Congress saves through the agencies, we save enough to fund the entire Congress.

In our bill this year, Members will find us reducing the spending in the Defense Department by about $4 billion. The reason we are reducing that is a combination of hearings that we have held, a combination of recommendations from other committees, and it is bipartisan in the support of the recommendations we get. And we will reduce their spending, and GAO has played an absolutely essential role in reducing the spending in the committee that I chair.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

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

Mr. CONYERS. Mr. Chairman, I think the gentleman's testimony is so important here. Here is a chairman of a committee that is taking the hit on GAO effectiveness and efficiency and is testifying in its favor. I wish that there were more chairmen like the gentleman that would speak up for it under those kind of adverse circumstances.

I commend the gentleman in the well.

Mr. MURTHA. Mr. Chairman, I do not think that there is anyone that gives us more help in reducing inefficiency and ineffectiveness than the GAO. I would urge the Members to defeat this amendment.

Mr. FAZIO. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin [Mr. ASPIN].

Mr. ASPIN. Mr. Chairman, I rise in opposition to the amendment and in total support of the comments of the gentleman from Pennsylvania a little bit earlier.

Mr. Chairman, I rise in opposition to the amendment. I realize a certain controversy has surrounded the GAO in recent years. But that's not bad. It's good. The problem with GAO over the years has been the blandness of its reports. Thank goodness, it's emerging from that cocoon. If we pass this amendment, we will drive it back into its cocoon.

As well, we would deprive it of the resources needed to do its day-to-day business—which is ferreting out waste. Mr. Chairman, my committee is one of the main consumers of GAO products. We could not do our work without the GAO. It provides a reservoir of talent and knowledge. Its staff is a force multiplier for the Congress. The Armed Services Committee has a limited professional staff. Without the skills and staff available from the GAO to poke around the Pentagon we would literally be at the mercy of that building and its 24,000 staffers.

If we are ever to have any hope of balancing the budget, we must cut outlays. And the GAO is the best tool we have for finding the biggest cuts that do the least damage. To ax the chief agency engaged in the war on waste is hardly a reasonable way to go.

Mr. FAZIO. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I rise in total opposition to this amendment, which is totally misguided.

GAO assistance to the Foreign Affairs Committee has been invaluable, as has GAO assistance to every phase of congressional oversight.

Without GAO, we might not have been able to get a handle on the management practices at UNESCO and other international organizations. GAO's work has greatly enhanced the extent to which we can be confident that U.S. contributions to these organizations are being put to good use.

GAO provides the committee information that is extremely important in structuring our foreign aid programs. To take just one small example, GAO's 1990 report on how United States-provided military equipment and supplies were being used in Somalia, and how the then-Somalian Government's military forces had devastated cities in the north, led us to substantially cut assistance to that government.

In a more general vein, GAO's work is vital to House oversight on AID operations. In large part, we know the areas that need attention through the work of GAO. It is through the work of GAO that we are able to get some sorely needed improvements.

GAO's evaluation of the Bigeye binary chemical bomb program made an extremely important contribution to the bilateral chemical weapons agreement between the United States and Russia. The weapon was canceled, saving the taxpayers some $1.6 billion and, just as important, paving the way to a possible worldwide ban on chemical weapons. GAO's documentation proved there were technical flaws in the Bigeye system.

Without this body of work, which demonstrated great persistence in the face of severe criticism by the Department of Defense, Congress would never have learned about the problems. These efforts proved to be a crucial factor in the formulation of U.S. chemical weapons policy.

We have to see to it that this superb organization that has been developed over the years under successive Comptrollers General remains strong. It would be foolish to damage a resource so vital to us in carrying out our legislative and oversight responsibilities.

Mr. COX of California. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding time to me. I do not know if this is totally misguided or partially misguided, but let me talk about something at the GAO that has not been discussed. That is, the fact that they are self-starting, self-appointed, and act in some cases like Moses coming down from the legislative mountain.

About 5 or 6 years ago, the GAO walked into the Department of Agriculture, talked to Secretary Lyng and said, "How would you like a study? We would like to do a study on the possible restructuring of the USDA."

That is an ongoing issue that those of us in the Committee on Agriculture would like to see accomplished almost every session. And so some 13 studies later, no Member of Congress asked for this, no real suggestion of fraud, waste,

and abuse, but 13 studies later, we have a bunch of recommendations that basically are not factual. What the GAO has said, if we cut X number of farm program offices out there, we are going to save XX amount of money. They did not realize that three offices were really colocated in one office. They did not realize what happens in regards to lease situations.

Let us at least make it factual. Let us at least bring this under some kind of control here in terms of the self-appointed GAO.

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

Mr. FAZIO. Mr. Chairman, I yield 2½ minutes to the gentleman from Michigan [Mr. CONYERS], chairman of the oversight committee for the GAO.

Mr. CONYERS. Mr. Chairman, this is an incredible amendment. For a person on this committee to be alleging that we are spending money on ourselves and on our own staffs is so misguided that it begs the question.

We are talking about the GAO. We do not get the benefit. That is not our staff. They are run by a professional who is recommended and nominated by the minority leader in the House of Representatives, sir. I do not hear anybody calling for his head over there. If he is so darn partisan, why do my colleagues do not get rid of him?

My problem is, they do not hit hard enough. But that is not what we are here for.

Tell me how we are going to oversight a budget of $1.5 trillion with a measly $300 million budget and then we start talking about cutting. Nobody said a word about waste, fraud, and abuse, which is supposed to be the guideline. Nobody says anything about waste, fraud, and abuse like it does not happen, like we are not saving any money.

No, let us let the administration run its own ship with as little oversight from the House of Representatives as possible. That is what we are about here, and we are doing it, ironically, on the eve of the anniversary of Watergate.

Be ashamed, you guys, be ashamed.

The gentleman from New York [Mr. HORTON] and I have been working ourselves to the bone trying to save money.

Listen to what we are doing. This is not rhetoric. GAO recommendations to restructure the B-2 bomber contributed to budget reductions of $1.2 billion in fiscal 1991. GAO, the Federal Aviation Administration reissued a contract on computer modernization, saving $1 billion. GAO discovered universities overbilling the Federal Government, tens of millions of dollars.

Ask the gentleman from Michigan [Mr. DINGELL]. It goes on and on. Vote this thing down.

Mr. FAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HORTON], the ranking Republican member of the same committee.

Mr. HORTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have serious concerns about the General Accounting Office. GAO's detailee policy bothers me greatly. I am troubled by what I view as inconsistency in the quality of some of its work. But GAO is a large, complex organization. It is not perfect. It can stand improvement and review.

Last week I shared my concerns about GAO with Comptroller General Bowsher and Deputy Comptroller General Socolar in a continuing dialogue and effort to get some changes where changes are appropriate. Mr. Bowsher and Mr. Socolar are responding to concerns I have raised and to concerns others have raised. At their direction, GAO is conducting its own internal review.

In addition, it is seeking to put in place a peer review program to assess fully all of its operations, define deficiencies, correct those that are identified, and hence, improve the quality of work that the GAO provides to the Congress and the American people. Those actions make sense.

A funding cut of 25 percent, however, does not make sense. And it is not reasonable. On the contrary, it would be crippling to GAO, and it is not my intention nor desire to cripple the General Accounting Office.

Just to point out, a reduction in force to achieve a cut of this magnitude requires the separation of a large number of staff to cover the expenses of the RIF itself. A reduction in force which will permit GAO to operate within a budget of $333 million will require the separation of approximately half of GAO's 5,000 employees. They will have to close at least 6 of their 13 regional offices and both of their overseas offices, thereby eliminating approximately 700 employees.

This would drastically limit GAO's unique onsite investigative capabilities and severely impact the watchdog presence throughout the Government operations.

They would also have to terminate 1,800 employees in an agencywide reduction.

Do not throw the baby out with the bathwater. I oppose the amendment and urge my colleagues to vote against it.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the chairman of the Committee on Energy and Commerce, the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I rise in strong opposition to amendment No. 5 which is designated as the "Cox of California" amendment to cut the appropriation for the General Accounting Office from slightly over $442 million to slightly more than $333 million. This politically motivated cut of the GAO is equivalent to about a 25-percent reduction in funds.

In discussions with the GAO leadership, I understand that this cut would result in a reduction in force at the GAO of over 1,800 people, plus a furlough of other persons at the agency from its present level of just over 5,000 people. This reduction sum is caused because in order to conduct a RIF the agency has to take into consideration under current law severance pay and annual leave, which is always substantial. In addition, because of the requirements of law regarding veterans' preference, grade level, and longevity, and the related so-called bumping rights of employees, such a RIF will undoubtedly affect many people at the lower end of the GAO pay scale—most of which are probably women and minorities. In this recession, I find it hard to believe that the Republicans want to increase the unemployment rolls even more and that they want to target minorities.

Mr. Chairman, this is a draconian effort designed to make the General Accounting Office ineffective. The proponents want to weaken how the GAO conducts its functions, including the handling of bid protests for the benefit of many businesses who regularly bid for contracts with the Government.

This is not an effort to save money or make our Government lean and mean. It is a deliberate effort to transfer the GAO into a think tank and make it ineffective as an independent investigative arm of the Congress.

I am concerned that all too often the GAO performs such think tank functions and disregards its vigorous investigative duties. The recent line-item veto report is an example of that problem. That clearly must be stopped by the present leadership of the GAO.

The GAO has been doing this work for many, many years under many Presidents. I recall that during the tenures of President Johnson and Nixon in the White House, many executive branch agencies used to refer to the GAO as "God's awful office." They were fearful of any investigation by the GAO into the legality of an agency's actions, into waste and fraud, and into the question of whether or not the agency was in fact carrying out the statutory requirements of the Congress and the President. I am not sure that fear exist today. It will most certainly not exist with this severe cut.

Few in the executive branch have ever had good words for the GAO, but most of us know from long years of experience that such an investigative agency—not a think tank—is absolutely essential if we are to have a fair and effective Government of laws, not of men.

The GAO has saved the taxpayers money. For instance:

In the case of Environmental Protection Agency, the GAO helped to iden-

tify tens of millions of dollars in unallowable or questionable costs with EPA's Superfund contracts.

In the case of universities, the GAO helped identify tens of millions of dollars of unallowable or questionable costs at many of our well-known universities across the country.

In the case of the Department of Energy, the GAO is in the process of finding millions of dollars in unallowable and questionable costs in regards to DOE's weapons facilities contracts.

In the case of the Department of Defense, GAO's recommendations to restructure the B-2 Bomber Program contributed to budget reductions of $1.2 billion in fiscal year 1991 and an average reduction of $4 billion in each of the next 3 years.

On the basis of GAO work, the Congress and Treasury made changes to the Tax-Exempt Bond Program to ensure that financed projects better served low-income renters.

The GAO helped identify abuses in the $100 billion merged surplus accounts governmentwide. The merge surplus account was immediately eliminated, withdrawing $67 billion in spending authority.

These are only some of the GAO accomplishments that save public funds. There are many more listed at the end of my remarks.

The Cox amendment, however, would strip GAO's effectiveness in these and other areas and will give the executive branch—under Bush, Clinton, or Perot—the freedom to act without fear of intensive investigation by this agency. Waste, fraud, and abuse, and disregard of law will result. None of that is in the public interest, but it is in the interest of the executive branch which is controlled by the Republicans. They clearly do not want such oversight. They do not want to spend money which will protect taxpayer funds. They do not want GAO to uncover their misdeeds.

I stress that the GAO and its staff are not employees of the House. As to the issue of GAO details, that is an old story that was addressed last year. These people help us conduct oversight. The administration and our Republican colleagues don't like that.

I strongly urge that my colleagues in the House, particularly my Democratic colleagues, join me in ringing opposition to this draconian cut. I urge support for the committee's bill.

□ 1640

Mr. Chairman, this amendment is an outrage. A similar amendment was defeated last year. This is burning our seed corn. What the author of this amendment and those who support it are seeking to do is to simply terminate auditing and investigations of the excutive branch. They are going to cut the number of GAO auditors almost 35 percent. That means the work which is done by GAO and the Congress to halt thievery, rascality, waste, and abuse of the taxpayers' money will cease, because we are going to be terminating 1,800 out of 5,000 employees who are out chasing these scoundrels, criminals and wrongdoers.

If the Members do not want to know where wrongdoing is going on in the Government, vote for the amendment. It is a great amendment, if that is what they want. If the Members want to see if the taxpayers and the public interest and public money is protected, then at all costs vote against this amendment.

This is not an amendment which an intelligent person would vote for. This is an amendment which would be the delight of a thief, a scoundrel, a knave, or a person who is trying to rip off the taxpayers. As I said this is an outrageous amendment. It should be voted down unanimously. What it does is terminate the ability of the Government to protect the taxpayers and to halt wrongdoing. I urge my colleagues to vote overwhelmingly against this abominable amendment.

GAO SAVINGS—INDIRECT COSTS

UNIVERSITIES

GAO helped identify tens of millions of dollars in unallowable or questioned costs at universities across the country.

GAO exposed the fact that the contracting agencies have allowed universities to recoup extra allowable costs through unfair allocation formulas—totaling hundreds of millions of dollars.

EPA

GAO helped identify tens of millions of dollars in unallowable or questioned costs with EPA's Superfund contracts.

DOE

GAO is in the process of finding millions of dollars in unallowable or questioned costs with DOE's weapons facilities contracts.

ENVIRONMENTAL PROTECTION AGENCY

GAO helped demonstrate that the EPA has systematically ignored good contract management practices costing the agency tens of millions, and possibly hundreds of millions, in waste, fraud and abuse annually. GAO will be the lead witness at the July 8th hearing on contract abuse at EPA.

DEPARTMENT OF DEFENSE

For the past number of years, GAO has helped identify billions in abuses at DOD, including defective pricing, mischarging, overpricing, and unallowable or unreasonable charges. Contractors reviewed include General Dynamics, TRW, Northrop, Bell/Textron, and Lockheed. Programs include DDG-51, C/17, Apache, C-5B, F-16, HARM, and B-1.

"M" ACCOUNTS

GAO helped identify abuses in the $100 billion "M" and merged surplus accounts government-wide. The merged surplus account was immediately eliminated, withdrawing $67 billion in spending authority. The agencies were given three years to audit and reestablish valid needs for the "M" accounts. Much of the budget authority in the "M" accounts has been given up.

GAO ACCOMPLISHMENT RELATED TO WORK REQUESTED BY REPRESENTATIVE JOHN DINGELL

Number	Title	Amount
HRD-90-16	Defeating proposals to raise Medicare reimbursement of health maintenance of organizations (HMO's).	$340,000,000
HRD-89-18	Reduction in Medicare payments for clinical laboratory services.	169,000,000
RCED-88-12	Increased fees from hydropower licensees.	5,061,500
RCED-87-25	Parachute Creek Shale Oil project	500,000,000
Total measurable financial benefit.		1,014,061,500

Number	Title
HRD-91-02	Enactment of P.L. 101-354 Establishing a Program of Grants to States to Carry Out Programs to Screen Women For Breast and Cervical Cancer as a Preventive Health Measure.
HRD-91-04	The Congress provided States Additional Time to Implement the Requirements of the State Comprehensive Mental Health Services Plan Act of 1986.
HRD-91-05	Passage of the Trauma Care Systems Planning and Development Act.
HRD-91-06	Mental Health Services Grant Formula Change.
HRD-91-07	Emergency Medical Services State Planning Grants Formula Change.
RCED-91-38	DOT Corrective Actions Concerning Hazardous Materials Enforcement
GGD-90-24	SEC Directed the New York Stock Exchange to Review the Applicability of Its Rule 390 to After Hours Trading.
RCED-90-05	Strengthening of EPA's Procedures for Preventing Conflicts of Interest Under Superfund Contracts.
RCED-90-68	DOE Revised Its Earnings Limitation Agreement to Prevent Martin Marietta From Unfairly Benefiting From Operation of DOE Research and Production Facilities.
RCED-90-69	DOE Reviewed Field Office Orders to Ensure That They Are Consistent With DOE-wide Work-For-Others Requirements.
RCED-90-71	DOE Headquarters Directed All Field Heads to Ensure That Work-For-Others Agreements Contain Required Clauses and Certifications.
RCED-90-72	DOE Directed Field Unit Heads to Ensure That Written Determinations and Certifications Are Performed for Non-DOE Projects.
RCED-90-73	DOE Has Taken Action to Fully Recover Personnel Costs Associated With Its Work-For-Others Projects.
RCED-90-74	DOE Evaluated the Appropriateness of a Contractor's Work-For-Others and Assigned a Headquarters Group to Oversee the Contractor's Work.
GGD-89-08	Stronger Measures to Detect Insider Trading.
HRD-89-03	New Grant Formula for the Alcohol, Drug Abuse, and Mental Health Block Grant.
HRD-89-05	Enhancing Enforcement for the Alcohol, Drug Abuse, and Mental Health Block Grant Set-Aside Provisions.
RCED-89-01	FERC Has Enhanced Fish Protection By Improving Coordination With State and Federal Agencies.
RCED-89-02	DOE Reevaluated Its Need for Oil Firms Records.
RCED-89-03	FERC Has Taken Action to Facilitate Development of Comprehensive River Basin Plans.
RCED-89-04	FERC Has Improved Timeliness of Responses to Investigative Reports.
RCED-89-05	Liability Protection for a Nuclear Plant Accident.
RCED-89-06	FERC Has Improved Its Monitoring of Hydroelectric Projects' Compliance With Federal Requirements.
RCED-89-26	The Bonneville Power Administration Performed Further Analysis to Justify Expanding the Northwest-Southwest Intertie.
RCED-89-32	DOT Improved Measurement of Its Investigations Division Workload.
RCED-89-38	Improved Coordination In Assessing Pesticide Benefits.
RCED-89-54	DOT Mandated to Improve Gray Market Vehicle Program.
RCED-89-57	The Federal Railroad Administration Took Actions to Improve Accident and Injury Reporting.
HRD-88-23	Medicare Statutes Amended to Clarify That Government Sponsored Health Plans Pay Before Medicare.
RCED-88-21	Improvements in EPA's Internal Controls for Managing Air Regulation Dockets.
RCED-88-39	Improvements in EPA's Procurement Regulations.
RCED-88-40	Improvements in EPA's Planning, Budgeting, and Reviewing Research.
HRD-87-01	Improved Distribution of Block Grant Funds.
RCED-87-06	Safe Disposal of Federally Generated Hazardous Waste.
RCED-87-28	DOE Has Improved Its Long Term Settlement Process for Oil Pricing Violations.
RCED-87-32	DOE Corrected Errors in Fund Allocation to States.
RCED-87-34	DOE Notified Oil Firms of Recordkeeping Needs.
RCED-87-35	Improved DOE Oversight of Energy Systems' Conflict of Interest Procedures and Acquisitions From Affiliates.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. SYNAR) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. McCathran, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

□ 1643

LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1993

The Committee resumed its sitting.

Mr. FAZIO. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Chairman, I am in opposition to the amendment and in support of the stirring oratory of the chairman of the Committee on Energy and Commerce.

Mr. Chairman, this past spring, Mr. WOLPE and I held a hearing on the Department of Energy's budget. We found that the Department had been engaging in an accounting gimmick that let them label some funds as obligated when in fact they were not. As much as $2 billion in fiscal year 1991 had escaped scrutiny by either OMB or Congress through this trick.

Though Chairman WOLPE and I, and the staff of our Investigations and Oversight Subcommittee, worked hard on this issue, the lion's share of the credit must go to the General Accounting Office. It was GAO that brought this issue to Mr. WOLPE and I. GAO did excellent work and testified before my Subcommittee on the House Science, Space, and Technology Committee. That day we had not just the rare privilege of hearing from GAO, but also hearing from the Department of Energy's chief financial officer that the Department substantially agreed with GAO's findings and even thanked them for their work.

The work done by GAO and our subcommittee will directly save the American taxpayer $182 million in fiscal year 1993. I want to laud Chairman BEVILL and Mr. MYERS for taking this issue seriously and for cutting the DOE budget request to reflect their assessment of DOE's excess funds. This represents real deficit reduction through real budget savings won through aggressive oversight.

But there are other benefits in the future. The national energy strategy bill passed by the House included a requirement that I wrote with Mr. WOLPE that the Department of Energy report to Congress on these grey area obligated funds so that future budget requests can be adjusted accordingly. Savings that will result from this measure could exceed a billion dollars.

Today, we will be asked to cut the GAO budget for fiscal year 1993 by $110 million. This is a classic example of being penny wise and pound foolish. In one hearing, GAO saved more money for our taxpayers than the amendment we will vote on would do. But is there anyone in this body who believes that if we cut the GAO by 25 percent they would be able to do that kind of work for us? Is there anyone, on either side of the aisle, who believes that a Perot Presidency would not warrant very aggressive GAO work?

Some members are mad at GAO because they feel certain reports have been politically tainted. Some members are mad, on my side of the aisle, because they fear that GAO will be used to embarrass the administration. Occasionally they will; despite being a loyal Bush man, I would be the first to concede that there have been rare occasions when the administration has made mistakes. But remember that our Founding Fathers intended the executive branch to be watched by the legislative—that is what our institutional checks and balances are all about. GAO is our best watchdog and the amendment that will be offered today threatens to pull its teeth. I hope you will join me in opposing that amendment.

Mr. FAZIO. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. IRELAND].

Mr. IRELAND. Mr. Chairman, I am in opposition to this amendment, and would associate myself with the gentleman from New York [Mr. HORTON]. The GAO does outstanding work. Yes, it can do better. Let us not use this amendment to shoot the messenger.

Mr. Chairman, I rise in opposition to the amendment.

The GAO, like all organizations, can be improved. Unfortunately, the Cox amendment would decimate GAO instead of proposing constructive ways to improve the institution. GAO responds to all kind of requests. The quality of its products varies. Some are very good; some are OK, and some are poor. I know that. But over the years, the GAO has done some excellent work for me as an individual Member—particularly on the "M" accounts, the 5-year defense program budget mismatch, the A-12, to name a few. The savings to the taxpayers on these three issues alone is in the tens of billion of dollars. Without GAO it would not have happened.

Mr. Chairman, I cannot support an amendment that would destroy an organization that plays an important role in the congressional oversight process.

Mr. FAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Chairman, let me just say the gentleman from California [Mr. COX] has made some good points, and I hope the majority listens carefully to the concerns of our distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

Having said that, the fact of the matter is that what this amendment does is cut out the heart of congressional oversight. If there is any responsibility constitutionally given to the Congress of the United States, it is oversight. If there is any great failure of the last 20 years in American public life, it has been that congressional oversight has been too lax, not too vigorous.

Let me just give an example of the import of the GAO in banking.

In the late 1980's the only credible agency in Washington, DC, on banking matters was the General Accounting Office. It developed a way of looking at international lending, a way of looking at savings and loans, that led to massive reform in the Federal Deposit Insurance System which saved dozens if not hundreds of millions, if not billions of dollars. The effects as well as the cost of GAO oversight has to be understood.

I do not personally know what the right level of funding for the GAO is, but I do know if we toy with the General Accounting Office, we will be potentially giving a green light in some instances to thievery, but more generally, to lack of programmatic oversight, responsibility for which the Constitution of the United States of America posits most pointedly in this legislative body. For that reason I would urge defeat of the amendment before us.

Mr. FAZIO. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Chairman, I rise in opposition to the amendment.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Chairman, for more years than I can count the GAO has been the Government auditors, and they have an essential function here, but in recent years they have become more important in that they have become our overseers, our field investigators, our policy analysts, our eyes and ears inside the Government. The message they bring us is not always pleasant, it is not always well received, and I will be the first to admit it is not always well done. I have not been satisfied sometimes with their work.

But to pass this amendment is to penalize the GAO for trying to do its job as well as it possibly can. It is to shoot the messenger in the foot.

In addition to being spiteful, this amendment is shortsighted, because what we spend on GAO is not spent and lost and consumed and forgotten; it yields a stream of earnings and savings each year. I could take the Members, if I had the time, through the defense authorization bill and cite chapter and verse when GAO alerted us to savings.

Cutting the General Accounting Office from $442 to $333 million is not an efficiency measure, it is an emasculation. It will weaken one of the strongest arms of the Congress, and we should not do it.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. MILLER], chairman of the Committee on Interior and Insular Affairs.

Mr. MILLER of California. Mr. Chairman, the House Committee on Interior and Insular Affairs, which I have the privilege of chairing, has jurisdiction over billions of dollars of royalties and rents and payments that are due the American people from the rent of their public lands, their coastal areas, and their resources. Yet we find out that those who would rent those lands, those who would extract the resources, fail every year to pay the American people what they are due through a series of schemes, criminal activity, outright fraud, mismanagement. Time and again the American people are not given those rewards.

The shortage of the GAO is not the work product of the GAO, it is the inability and unwillingness of this Congress and the administration to invoke their recommendations. But to say that we will do away with this level of funding for the GAO, that we would slash it, according to Mr. COX's amendment, is to endorse that criminal activity, that fraud, those schemes that deprive the American people of their due royalties, of their due rent for the use of their public lands. It is billions of dollars a year.

Without the GAO, that type of mismanagement would continue to exist, because there would be no way in which we would find out about it but for the GAO.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. CLINGER], the next ranking member of the Committee on Government Operations on the Republican side.

Mr. CLINGER. Mr. Chairman, I must rise in opposition to the amendment. As a colleague serving with the gentleman from California [Mr. COX] on the Committee on Government Operations, I share his frustration with GAO's operations, and believe me, I share some of that same frustration. However, this amendment, in my view, is draconian in nature and really would completely debilitate GAO. I am convinced this amendment would only serve to make things worse, not better, and in turn our sense of frustration and dissatisfaction would only grow worse.

I met with the Comptroller General recently and had a very frank and candid discussion with him. I expressed to him my concerns. I am hearing from my colleagues concerns about the integrity of GAO reports and investigations, maintenance of a bipartisan relationship with Members and staff, and the use of GAS detailees as professional staff.

My particular peeve with GAO concerns the use of detailees. This is a thorn in the side of myself and many others, especially those of us on this side of the aisle. In fiscal year 1991 there were 26 detailees assigned to the Committee on Government Operations alone, where they in effect worked primarily as additional members of majority staff.

To put this in perspective, for the same year there were only 17 minority professional staff members.

Despite this, Mr. Chairman, I must say that this amendment would in fact gut the GAO, which does provide very valuable service to the entire Congress.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. SAWYER].

Mr. SAWYER. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from California [Mr. COX] to reduce funding levels for the General Accounting Office.

As chairman of the Subcommittee on Census, I have worked closely with the GAO. In my opinion, GAO continues to conduct thorough audits and investigations and to produce balanced and useful reports. Their work adheres to the highest standards of objectivity and professionalism. The work of GAO enhances greatly the work we do here in Congress.

The decennial census is the largest peacetime undertaking of the Federal Government. In terms of oversight, it represents one of the most difficult, concrete, and complex accounting problems imaginable. GAO's efforts to monitor, analyze, and evaluate the census as it unfolded were superb.

GAO monitored progress and reported to the subcommittee even as the census took place. GAO staff at the Census Bureau and around the country monitored census operations on a daily basis.

The subcommittee's close oversight of the 1990 census—including planning, preparation, execution, and evaluation—would not have been complete without that real time auditing approach. Early in the census, for example, the Census Bureau had real problems with its management information system, as well as severe staff shortages. GAO was able to alert the subcommittee so that corrective action could be taken in a timely manner.

GAO also was the first to inform the subcommittee that the census was collecting high rates of surrogate data, which raised concerns about the quality of the count. Without GAO and needed financial and personnel, the quality of oversight—and the census itself—surely would have been damaged.

I think all of my subcommittee colleagues—Democrats and Republicans—would agree that GAO developed and reported its findings with objectivity and fairness. GAO worked closely with staff from both sides to meet all our information needs. GAO recently reported to the subcommittee on the fundamental changes that are needed for the 2000 census. Even now GAO has identified ways to save hundreds of millions of dollars over the next decade, and to improve the quality of the census numbers.

I want to ensure that the next census is more accurate and economical than the last one. Reducing GAO's budget won't help us do that. It might save us a few dollars today, but in the long run it will cost us much more.

□ 1650

Mr. COX of California. Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman I rise in support of this amendment, which saves taxpayers $109 million by reducing funding for the General Accounting Office of the Congress.

Spending on the General Accounting Office has ballooned by 80 percent in just the last 10 years alone. The GAO now has 5,000 employees and 16 regional offices around the country and overseas.

The GAO even serves as a back door means of augmenting committee staff. The GAO is spending $4 million this year alone providing House and Senate committees with 170 additional employees.

I know some members may contend that this money is well spent, because it seeks to eliminate waste and fraud in Government. I only wish that were true. Sadly, the General Accounting Office's work has taken on a partisan cast that has undermined its credibility. It's reports all too often are crafted to support the leadership's legislative goals.

For example, when the House leaders proposed legislation to implement a system of socialized medicine such as Canada has, the GAO compliantly produced a report lauding Canadian medicine. Only later do we find out the report conveniently neglected to mention the massive tax increases that would be required to finance the system.

When the leadership felt the heat of the House bank scandal, they commissioned a GAO audit of the White House to divert attention away from a major scandal.

This amendment still allows the GAO $333 million for fiscal year 1993. That should be more than enough to root out waste and fraud—more than enough, that is if the agency devotes its time to genuine investigations rather than partisan activities.

Mr. FAZIO. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. GILMAN].

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

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California. In recent months the General Accounting Office has come under some criticism and our distinguished minority leader has underscored some of those problems. I must say that the GAO I have heard de-

scribed is not the one with which I have become familiar during my many years on the Post Office and Civil Service Committee. GAO's work has contributed directly to our committee's evaluation of the problems of the census and to its efforts to improve the economy and efficiency of the Postal Service and the Federal civilian work force—three of the committee's primary areas of responsibility.

Mr. Chairman, the 1990 census was marked by significant controversy and litigation. Concerns about the accuracy and completeness of the count will not be resolved for years to come. Yet throughout the controversy, GAO has provided the committee with reliable and timely analysis of what was happening and why. By giving us a clearer analysis of the situation, GAO has enabled us to focus and improve upon the quality of our oversight. Moreover, GAO is continuing to assist the committee by pointing out the changes that will be needed for a less troubled, cost-effective census in 2000.

GAO's Postal Service audit site includes fewer than 10 people, yet we have always found their work to be of great value in helping our committee oversee the Postal Service. For example, at our opening oversight hearing on May 12 of this year, GAO representatives discussed the results of their perceptive and well-documented analysis of the Postal Service's automation program. They helped understand the ways in which postal service has failed so far to bring postal costs under control.

Finally, GAO has reported to us many times on the pay, benefits, and management of the Federal civilian work force. It has helped us determine just how well the executive branch is handling work force diversity issues and implementing merit system principles and regulations involving equal employment opportunity. It has identified opportunities to save money on Federal Employees Health Benefits Programs. Most recently, it examined programs run at the Department of Defense and OPM for assisting DOD employees displaced by DOD's downsizing efforts, identified problems, and helped us ensure that these employees are treated fairly.

In summary, Mr. Chairman, the work the GAO has done for the Post Office and Civil Service Committee convince me that GAO's budget should be viewed not as a cost, but as an important investment in making Government work better. Its clear-eyed examination of how programs operate, and its objective reports of its findings make our legislative and oversight activities that much more effective.

Now more than ever, when we must redouble our efforts to ensure that the American people's tax dollars are well spent, our investment in GAO is one that we cannot afford to cut.

Mr. FAZIO. Mr. Chairman, I yield ½ minute to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Chairman, I rise to oppose the amendment also.

I want to call the Congress, attention to the waste of time sometimes we go through in this process. If we really want to structure the U.S. Government and straighten it out, and eventually balance the budget, it seems to me the only way this Congress can do it is if we force the executive branch to put managerial skills in place as private industry has to accomplish this. Without the General Accounting Office we literally disarm the Congress to force the Executive to do this.

One little part that we are talking about here, millions of dollars, the Congress spends $26 million a year to travel; the White House, that my subcommittee happens to be investigating, spends $150 million, six times as much. Without the benefit of examination by the General Accounting Office we could never get these facts, because to my knowledge and from the representations from the White House, nobody down there knows what it really costs to operate that function.

Mr. COX of California. Mr. Chairman, I yield 2 minutes to my distinguished colleague, the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Chairman, I rise in support of the Cox amendment to reduce the Government Accounting Office allocation by one-third. The GAO seemingly has so many employees, that the agency is able to loan a great many of these employees to Congress.

It is no secret that many Members on my side of the aisle feel that the GAO has become nothing but an ideological advocacy organization of the majority party here in Congress; a distant cousin of the unbiased investigatory agency it was set up to be.

However, whether or not this characterization is true is not my point here. The point is this, with so many detailees being utilized by committee and subcommittee chairmen—the same Members who hold GAO reports as the linchpin of their arguments—the appearance of impropriety is indefensible.

At worst, the GAO is guilty of the charges of bias. At best, the GAO is susceptible to these charges. Either way, their credibility is negatively affected.

Mr. Chairman, congressional committee assignments for detailees have become nothing more than an employment pool. In my estimation, it is highly suspect that the steady stream of reports published by the GAO at the behest of certain chairmen are diametrically opposed to academic, industry, and independent reports on the same topic, using the same data.

When the topic is public land use, it is impossible to quantify multiple-use impact without the infusion of land use philosophy. Obviously, western and eastern land use philosophy differs.

There is no question that the GAO has from time to time provided this body with pertinent important information by uncovering abuses of the taxpayer.

However, I am concerned that the GAO has lost its once credible name, and has degenerated into a tool of certain committee chairman to craft and package an explanation for a predetermined answer.

I urge my colleagues support for the Cox amendment. Let us here today send a message to the GAO, and help them pull out of this tailspin into no credibility.

Mr. COX of California. Mr. Chairman, I yield myself my remaining 1 minute.

Mr. Chairman, I said at the outset of this debate that there is no lobby in America for increased spending on congressional staff. Evidently I was wrong, because for a great part of this debate we have heard from that lobby.

From my efforts to seek to control congressional spending I have even been called a scoundrel, a knave and a thief—by one of my colleagues who voted against the balanced budget amendment.

But the facts are these:

As a result of my amendment this one part of our congressional staff, the GAO, will be frozen at 1988 levels, one-third of a billion dollars. Right now the GAO's budget is 18 times that of the Congressional Research Service. It is 10 times that of the Office of Management and Budget. It is 21 times that of the Congressional Budget Office. It has received increases from 1990 to 1992 of 22 percent. And its cost is more than the cost of all of the management and financial audits nationwide performed by Price Waterhouse.

Mr. Chairman, the GAO is saddled with too much overhead. It costs too much, and it is not independent.

I urge my colleagues to vote yes on the Cox amendment.

M. FAZIO. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from California [Mr. COX].

This amendment strikes at the heart of Congress' ability to oversee the executive branch. It would emasculate our investigative arm, the General Accounting Office [GAO]. GAO has been instrumental in enabling the Committee on Education and Labor to pursue savings and improvements in the Departments of Labor and Education. For example:

Over $700 million in financial benefits were realized in programs providing financial assistance to postsecondary students—the Pell grant and guaranteed student loan programs. These financial benefits consisted of: First, $140 million in reduced Federal expenditures when legislation was enacted requiring that Pell grant recipients have a high school di-

ploma; second, $305 million in increased defaulted student loan collections due to the extension of the Internal Revenue Service's income tax refund offset programs; and third, $279 million captured in guaranty agencies' reserves in excess of their needs.

Funding for the Job Training Partnership Act [JTPA] was reduced by $13.8 million in fiscal year 1990 to reinforce GAO's finding that local programs were entering into contracts for excessive on-the-job training to place participants into low skill jobs.

As a result of GAO's work concerning the employment conditions of foreign workers brought into the United States to harvest sugarcane, the largest user of this labor revamped certain aspects of its contract with the workers to improve the accountability of workers' wage deductions.

On the basis of GAO briefings, testimonies, and a report on the Carl D. Perkins Vocational Education Act, the Congress made major revisions to the act, such as improving allocation of program funds.

Using information from GAO reports on the limited extent of advance notice provided by employers to workers concerning plant closings, legislation was enacted requiring large employers to provide 60 days advance notice to workers in the event of a plant closing or mass layoff.

Based in part on GAO reports and testimony, Congress raised the maximum penalties for violations of workplace safety and health regulations and child labor laws.

The GAO report on legislative and administrative options for improving workers' safety and health led to the first comprehensive reexamination of OSHA's authorizing legislation in its 20-year history. Both the Senate and the House legislators drew heavily on the options GAO identified, incorporating most of them in H.R. 3160, the Comprehensive Occupational Safety and Health Act.

Vote "no" on this amendment. It deserves to be defeated.

Mr. FAZIO. Mr. Chairman, I rise in opposition to the amendment.

We have, in the executive budget requests, significant increases for the administration's junk yard dogs, the inspectors general. At Agriculture, the IG budget is up by 7.1 percent; at Commerce, 19.7 percent; at the Education Department, it is up by over 20 percent. The departmental IG's go up all over the Government, while we have reduced GAO by $5.5 million in total resources below the current year. They are the junk yard dog of the entire Government, and we have placed very stringent controls on their budget.

Reducing GAO's budget to $333,333,000 would require GAO to undergo a large-scale reduction in force. This would have a devastating impact on GAO's ability to perform its mission. A reduction in force to achieve a cut of this magnitude requires the separation of an inordinate number of staff to cover the expenses of the RIF itself. A reduction in force which will permit GAO to operate within a budget of $333 million will require the separation of approximately half of GAO's 5,000 employees. GAO will have to: Close at least six of its 13 regional offices and both of its overseas offices, thereby eliminating approximately 700 employees. This would: drastically limit GAO's unique on site investigative capability, and severely impact the watchdog presence throughout Government operations.

They would have to terminate 1,800 employees in an agencywide reduction in force in addition to regional and overseas office closings. Such action will materially reduce our subject matter expertise in specific areas where GAO has built outstanding capability over many years because of bumping provisions many employees will be involuntarily moved into areas where they have little or no subject matter knowledge resulting in an unstable job management situation.

This would devastate years of concentrated effort designed to provide a more representative and diverse work force. Because a RIF is driven by seniority and veterans preference, minorities and women will be affected the most. It would also severely impact GAO's ability to develop a high-quality work force for the future. A RIF of this magnitude will force out developing staff first and eliminate hiring for the foreseeable future. This will result in a significant loss of state-of-the-art skills and technological capabilities necessary to effectively address increasingly technical and complex issues facing the Congress.

Also, higher paid people would be placed in positions where they will be performing lower level work. This is due to saved pay provisions of RIF regulations which require that an employee reassigned to a lower level job retain his/her current pay. This will adversely impact morale and will result in spending more than necessary to get the work done. This will create perhaps years of minimal productivity while people are being reassigned and retrained for their new positions.

A reduction of this magnitude will limit GAO's effectiveness in conducting legislative oversight of misconduct and abuse in the executive branch and will deny the Congress the kind of reliable information needed when we consider such issues as: Weapons acquisition; health care; banking legislation; environmental and hazardous waste issues; and financial management issues.

GAO's work has saved the taxpayers billions of dollars. In these tight budget times to cripple the agency is penny wise but pound foolish.

Mr. Chairman, I yield my final 1 minute to the gentleman from Oklahoma [Mr. SYNAR], a well-known oversight junkie.

□ 1700

Mr. SYNAR. Mr. Chairman, my colleagues, let us be honest about this debate. This is not a debate about congressional staff. The General Accounting Office is an independent agency. This is not a debate about saving money.

The General Accounting Office's budget is one-sixth of 1 percent of the Department of Defense's budget. In fact, any one of a dozen investigations that they will conduct this year will more than pay for the budget that they are doing.

What this debate is about is an administration and executive branch and the President that want less oversight over the consistent mismanagement of billions of dollars within the administration.

If we could point to one success story in government, it is the General Accounting Office. If we could point to one agency where we get the best bang for the buck, it is the General Accounting Office.

In 1991 alone they will return $33 billion to the people of this country. By my calculations, that is $82 back for every $1 invested.

If you are committed to the proposition that we should run government like a business, reject the Cox amendment.

Mr. PICKLE. Mr. Chairman, the oversight subcommittee has had a very active agenda over the last number of years and we have been supported in our efforts by the work of the General Accounting Office. We call on GAO when we can't get the information we need from an agency—for whatever reason—sometimes the agency itself just hasn't collected the information. We also call on GAO when we need an assessment of the information, independent of the agency.

Over the years, we have gotten what we asked for. GAO has provided the data and the independent analysis that allowed us to give the taxpayers more value for their tax dollar. We have used GAO's information to get the Customs Service to spend its money more wisely—whether for overtime pay or managing seized property. A year never goes by that we don't use some GAO analysis to make it easier for taxpayers to deal with IRS. And working with GAO, we have improved the operations of the Internal Revenue Service so that enforcement resources are focused where they ought to be. Similarly, GAO has continuously provided us information on the status of the Resolution Trust Corporation's operations so we can continuously focus on whether RTC is doing a good job resolving the multi-billion-dollar savings and loan disaster. Whether it's protecting employees' pensions or making sure that dead people don't get Social Security checks, GAO is our source of reliable information. It all comes back to one thing. When we need to know what's going on in an agency to see if they're operating effectively, we depend on the GAO to get us that information.

MONEY LAUNDERING

The subcommittee on oversight has been working to make the Department of the Treasury programs more effective in addressing money laundering and related Federal tax evasion. GAO-developed information showed us the income tax compliance of individuals transacting business with more than $10,000 in cash. Similarly, GAO's input was important in understanding the activities of the Treasury's Office of Financial Enforcement and IRS to ensure that financial institutions comply with the reporting requirements of the Bank Secrecy Act.

IRS ACCOUNTS RECEIVABLE

The oversight subcommittee, with information and analysis provided by GAO, has embarked on a multiyear effort to encourage IRS to collect taxes owed the Government. The IRS accounts receivable inventory exceeds $110 billion. At the subcommittee's last hearing on this topic, GAO presented the results of an analysis of Federal contractors who also owe Federal income taxes. GAO had a number of recommendations as to how IRS could use Government money—in the form of Federal contract payments—to collect the taxes these companies owed. These recommendations will save us money. GAO gave us the same kind of helpful information last year on IRS' largest accounts and accounts of Federal agencies for employment taxes. It was GAO that recommended that the Treasury Department simplify the payroll deposit rules that cause so many small businesses to owe delinquent employment taxes—a step that Treasury recently took.

IRS' BUDGET AND TAX FILING SEASON

Each year the subcommittee on oversight reviews carefully the Internal Revenue Service's plans for the coming year—as embodied in the administration's budget request. The subcommittee also pays careful attention to how well IRS helps taxpayers file their tax returns and processes them upon receipt. The subcommittee relies heavily on the independent investigation and analysis provided by GAO. When GAO said IRS was not answering the telephone calls very accurately, IRS at first was not convinced. After GAO worked with IRS to develop its own test of the calls, IRS became convinced and worked to improve its accuracy rate.

GAO has had some success in improving the quality of IRS correspondence. This year the subcommittee has asked GAO to see whether the notices are going to the right addresses and whether the many forms and publications that taxpayers rely on are in fact accurate. GAO's work in all these areas results in better tax administration in this country; but, even more importantly, GAO's work makes it easier for taxpayers to deal with IRS.

Mr. HUTTO. Mr. Chairman, those of us involved in overseeing this Nation's military readiness—and I chair the subcommittee of that name—have had frequent opportunities to take the measure of GAO. Are its people knowledgeable and consistently objective? Are their reports accurate and informative? Does their work make our work more effective? Based on the many times my colleagues and I have called upon GAO for information and analysis, I would answer yes—wholeheartedly—to each of these questions.

Four examples are worth offering:

The Defense business operation fund will have sales in fiscal year 1993 of about $81 billion. GAO has helped the committee and its staff better understand how this huge and complex undertaking is run. With GAO findings in hand, we were able to cut DOD's fiscal year 1993 budget request for the fund by $2 billion—without in any way damaging our military readiness.

Over the past couple of years, an enormous opportunity to save money has become apparent: DOD simply has to do a better job of inventory management. At our request, GAO continues to produce a growing body of work on DOD's inventory management problems. Not only have these GAO studies allowed the committee to effect budget savings of hundreds of millions of dollars, but have led DOD itself to save billions more by improving its inventory management practices.

GAO has also looked into various aspects of the drawdown of forces in Europe. Among other things, GAO identified significant problems in the lengthy process of returning facilities to the German Government—problems that could ultimately lead to increased claims against the United States. Acting on these findings, we directed DOD to negotiate milestones with the Germans for the return of the facilities. In addition, GAO examined the effect of the drawdown both on the troops involved and on installations here in the States should the pace of the drawdown increase.

Among other things, Operation Desert Storm put to the test the readiness and training of our Active and Reserve Forces. At our request, GAO studied the issue intensively, demonstrating that, contrary to what DOD has asserted, reserves have an important role to play in any future contingency.

These are, of course, just four examples drawn from a long list of contributions that GAO has made to our committee. We expect it will make many more. It's worth noting, however, that GAO has not just impressed those of us who oversee DOD programs, but has impressed DOD as well. Through sheer thoroughness and a genuine understanding of defense issues and practices, GAO has convinced the Pentagon to make changes that have saved enormous sums of money without impairing the readiness of our forces. There is no stronger argument, in my mind, for continuing to give GAO the resources it needs to continue fulfilling the mission we have assigned it.

Mr. VENTO. Mr. Chairman, I strongly oppose this amendment, and must take issue with those who have accused the General Accounting Office of producing reports that are inaccurate or biased.

In recent years, to assist the Subcommittee on National Parks and Public Lands with oversight of the management of grazing on public rangelands, I have asked the General Accounting Office to review particular aspects of the range management programs of the Bureau of Land Management and the Forest Service. The results of those reviews have been the subject of a series of GAO reports.

These reports have played an important role in congressional deliberations about range management, including the committee's action on the BLM reauthorization bill last year.

Earlier this year, Resource Concepts, Inc., a Nevada-based consulting firm, submitted a paper very critical of three GAO reports, including two prepared at my request, that the firm described as "lacking in both technical accuracy and objectivity."

Because of the seriousness of these criticisms, I asked the General Accounting Office to respond to them, and GAO has submitted a point-by-point response.

On May 12, the Assistant Comptroller General testified about this response, and also about two recent GAO reports, prepared at my request, dealing with grazing on public lands in hot desert areas of the Southwest and with BLM's monitoring of grazing activities and the extent to which data from such monitoring is used in actual grazing-management decisions.

In my opinion, the testimony of the General Accounting Office effectively rebutted the criticisms of their reports made by the Nevada firm.

I have only the highest regard for the professionalism of the staff of the General Accounting Office and for the quality of their work. I am firmly convinced that those claiming that the GAO is biased or that their grazing or other land-management reports are not of high quality are attempting to shoot the messenger because of their dislike of the message.

For the information of Members, I attach the May 12 testimony of Assistant Comptroller General J. Dexter Peach in response to the Nevada firm's critique and concerning the other GAO reports recently submitted at my request.

Furthermore the GAO has been instrumental in monitoring the status of the savings and loan bailout progress. The GAO has prepared numerous reports concerning the cost, administration, and information system. These issues are costing the taxpayer billions of dollars and the success of the Congress in our oversight role is directly related to the quality of such reports.

As an appointed task force chairman for a short period without paid committee staff, I would have been unable to do a credible job without the professional quality work effort of the GAO. The administration, the Resolution Trust Corporation [RTC] is the major beneficiary to such reports, and GAO expertise. They rely as much as we to test ideas and gain insights into what works. Hopefully the GAO will not be co-opted in the process by such cooperation. This amendment should be strongly opposed.

[From the General Accounting Office—testimony before the Subcommittee on National Parks and Public Lands, Committee on Interior and Insular Affairs]

RANGELAND MANAGEMENT

(Statement of J. Dexter Peach, Assistant Comptroller General, Resources, Community, and Economic Development Division)

Mr. Chairman and Members of the Subcommittee: I am pleased to be here today to discuss our most recent work addressing the management of the nation's public rangeland. As you requested, my remarks today focus primarily on three recently issued GAO products—(1) our May 4, 1992, response to you and 16 Senators assessing a January 1992 critique of three GAO reports on rangeland management by a Nevada consulting firm,[1]

[1] *Rangeland Management: Assessment of Nevada Consulting Firm's Critique of Three GAO Reports* (GAO/RCED-92-178R, May 4, 1992).

(2) our February 1992 report on rangeland monitoring by the Interior Department's Bureau of Land Management (BLM),[2] and (3) our November 1991 report on BLM's management of livestock grazing activity in the so-called "hot deserts" of the American Southwest.[3] Before describing the findings contained in these reports, however, I believe it would be useful to provide some perspective on the ongoing rangeland management debate and the role of our work in that debate.

BACKGROUND ON THE PUBLIC RANGELAND MANAGEMENT DEBATE

Although the impact of livestock grazing on the nation's nearly 270 million acres of public rangeland has been debated for decades, the controversy has intensified in recent years and months. On the one hand, conservationists have increasingly emphasized the adverse effects of livestock grazing on the land's condition as well as on its productivity for other uses and its preservation for future generations. On the other hand, livestock interests have strengthened their position in defense of longstanding claims to the control and use of the land. Some have taken the position that grazing on federal land is not a privilege but rather a property right comparable to water rights and mineral rights.

In administering grazing activity on public rangeland, the two land management agencies—BLM and the Agriculture Department's Forest Service—are charged with steering a course of balanced stewardship in accordance with the principles of multiple use and sustained yield set forth in the Federal Land Policy and Management Act of 1976 and the National Forest Management Act of 1976, and reaffirmed by the Public Rangelands Improvement Act of 1978. Over the years, we have issued a number of reports and testimonies where we expressed the view that the agencies' performance can be improved. (See app. I for a list of Related GAO Products.) In particular, we have expressed the need for (1) more aggressive enforcement of livestock trespass regulations, (2) more comprehensive data on land conditions and trends, (3) improved performance in fulfilling resource management planning mandates, and (4) greater progress in restoring damaged riparian areas. In each of these reports, however, we have also recognized that resource constraints have substantially hampered the agencies' ability to carry out their responsibilities.

While the land management agencies have, on the whole, reacted favorably to our reports, various interest groups have criticized our work. According to certain livestock interests, our findings have "played into the hands" of those interested in discrediting livestock grazing on the public land. At the same time, others have claimed that our work has not gone far enough in exposing the damage caused by grazing. This criticism from both sides tends to provide support to the independence of our work and the value of our reports in providing decisionmakers with objective information based on sound analyses.

RESPONSE TO NEVADA CONSULTING FIRM'S CRITIQUE

The most visible criticism of our public rangeland work to date is a January 1992 report *A Technical Review of U.S. General Accounting Office Rangeland Management and Public Rangelands Reports 1988–1990* by a Nevada consulting firm critiquing three GAO rangeland management reports issued between June 1988 and August 1990.[4] As we demonstrate in our overall and point-by-point responses to the consulting firm's report, the consulting firm's critique is not valid. After careful review, we are confident that our work was performed with due professional care consistent with generally accepted government auditing standards and that our findings are well supported, our conclusions flow logically from the facts, and our recommendations offer reasonable suggestions for addressing the problems we identified.

In its critique, the consulting firm made a number of specific charges with respect to each of the three GAO reports. Our written response thoroughly addresses each of these charges. In addition, the consulting firm highlighted several criticisms for special emphasis.

With respect to our report on declining and overstocked grazing allotments, the consulting firm claimed that we created an unduly negative picture of rangeland conditions and placed undue emphasis on livestock overgrazing as a cause of declining conditions. We disagree. Our report fully disclosed the amount of land in each land condition category and the amount of land that was declining, stable, or improving. Our report then focused on the grazing allotments that were declining and/or overgrazed because (1) our analysis of range managers' responses demonstrated that overgrazing was the most prevalent cause of declining rangeland conditions; (2) overgrazing can seriously, even permanently, damage the land; and (3) overgrazing is a problem that the agencies can address.

Regarding our report on riparian area restoration, the consulting firm asserted that we prepared our report on the basis of selective, unverified anecdotal information that led us to overstate the magnitude of riparian area restoration needs. This assertion is inconsistent with the facts. Our review included field visits and analysis of a large portion of the riparian restoration projects that had been undertaken at that time. Furthermore, we did not limit our review to an examination of individual projects. To verify that our findings were representative of conditions on public land throughout the West, we examined available agency riparian condition inventory data and interviewed agency experts. This work showed that tens of thousands of miles of riparian areas on public rangeland in the West are in need of restoration.

Regarding our report on the federal wild horse program, the consulting firm asserted that we did not bring to light inadequacies in program management because we focused on problems relating to livestock grazing. We disagree with this assertion. Our report included a substantial discussion of management problems associated with program elements that have no relationship to livestock grazing, including the wild horse adoption program, wild horse sanctuary operations, and the prison halter training program. We devoted substantially more discussion to these issues than to the comparative effects of wild horses and domestic livestock on range conditions. We discussed livestock grazing in our report because during our work it became clear that unsatisfactory range conditions cannot be widely improved by concentrating on wild horse management alone.

While we believe our reports stand on their own merits, it is important to note that a number of others have issued reports or reached conclusions similar to those we presented. These include those by or for Interior's Inspector General, Board of Land Appeals, Wild Horse and Burro Advisory Board, Fish and Wildlife Service, and National Fish and Wildlife Foundation; the Environmental Protection Agency; the President's Council on Environmental Quality; and the Bonneville Power Administration. The State of Nevada's Department of Wildlife has also commented favorably on the quality of our work.

Likewise, both BLM and the Forest Service have recognized the need to address the issues raised in our reports and are taking actions to implement many of our recommendations. For example, in following up on our report on declining and overstocked allotments, the Forest Service has found that nearly one out of every four grazing allotments in its six western regions is considered to be in a declining condition and/or overstocked—a level that is consistent with the data cited in our report—and has developed a detailed action plan for addressing the problem allotments. Similarly, in a December 11, 1991, letter to GAO, the Director of BLM characterized our report on riparian area management as "one of GAO's more comprehensive and expert studies of a very relevant issue."

In contrast to our reports, the consulting firm's critique contains little factual data to substantiate its assertions. Instead, the critique misrepresents our reports' findings to support its positions and challenges the manner in which we presented the facts and the implications we drew from them.

REPORT ON BLM'S RANGELAND MONITORING

Our February 1992 report followed up on the recommendations in our June 1988 report on declining and overstocked grazing allotments. Both reports pointed out that monitoring of allotment conditions is a key component of BLM's grazing management responsibilities. Monitoring on a continuous basis is needed to ensure that existing grazing levels and practices are consistent with the land's ability to sustain the activity. If monitoring indicates that overgrazing is occurring, BLM managers are responsible for reducing authorized grazing to a sustainable level. Under current BLM policy, all grazing level adjustment are required to be based on monitoring data accumulated over several years. In accordance with this policy, BLM established a 5-year time frame-beginning with the issuance of the relevant grazing environmental impact statement—to conduct the necessary monitoring and implement a grazing decision establishing an appropriate grazing level for each allotment. At the time of our review, this deadline had passed on about 14,500 of BLM's 22,500 allotments.

Our review of BLM's performance showed that BLM had completed the required monitoring and issued a decision on appropriate grazing levels for only about 20 percent of the 14,500 allotments covered by environmental impact statements issued more than 5 years ago. It had not monitored about 7,200 allotments at all. For the allotments that it had monitored, it had generally not analyzed the data and decided on the appropriate grazing levels.

[2] *Rangeland Management: Interior's Monitoring Has Fallen Short of Agency Requirements* (GAO/RCED-92-51, Feb. 24, 1992).

[3] *Rangeland Management: BLM's Hot Desert Grazing Program Merits Reconsideration* (GAO/RCED-92-12, Nov. 26, 1991).

[4] See *Rangeland Management: More Emphasis Needed on Declining and Overstocked Grazing Allotments* (GAO/RCED-88-80, June 10, 1988), *Public Rangelands: Some Riparian Areas Restored but Widespread Improvement Will Be Slow* (GAO/RCED-88-105, June 30, 1988), and *Rangeland Management: Improvements Needed in Federal Wild Horse Program* (GAO/RCED-90-110, Aug. 20, 1990).

Our May 1991 report on the Forest Service's monitoring performance presented strikingly similar findings.[5] Our findings in these two reports as well as those in a number of other GAO reports on both BLM's and the Forest Service's range management programs are linked by a common thread: the performance weaknesses we have observed are in large measure a result of resource constraints; the agencies do not have sufficient staffing and funding to perform all the management tasks necessary to effectively administer the current level of grazing activity. If the agencies' performance is to be demonstrably improved, our reports concluded that a better balance between the level of grazing activity and the resources available to administer it is needed.

In this context, our February 1992 report asked the Congress to consider (1) reducing the scope of the existing grazing program or (2) funding an increase in BLM's range management resources. Among the options for offsetting the additional required appropriations would be to increase federal grazing fees.

GRAZING ON BLM LAND IN THE HOT DESERTS

In our November 1991 report on grazing activity on the public land in the hot deserts of the Southwest, we reached a similar conclusion.[6] Livestock grazing occurs on almost 20 million acres of BLM land in America's hot deserts—some of the most unproductive, yet environmental fragile, land in the country. We found that current livestock grazing activity risks long-term environmental damage while generating minimal economic benefits and grazing fee revenues that are not sufficient to provide for adequate management. We found evidence of damage caused by livestock grazing on BLM land as well as evidence of livestock grazing's adverse impact on several species. Some damaged land may take decades to recover if it recovers at all.

We also found that BLM lacks the staff resources needed to collect and evaluate data measuring the impact of livestock grazing on many desert allotments. Without these data, BLM is not in a position to assess livestock usage of desert allotments and change usage as needed. Overall, because livestock grazing on BLM's hot desert land poses a high risk to the environment and costs more to manage than it returns to the federal government, we questioned the merits of the activity as it is currently conducted. Our report offered several options for the Congress to consider if it chooses to alter the program. Consistent with our more recent report on rangeland monitoring, these options include providing BLM with more resources or reducing the scope of desert grazing activity.

Mr. Chairman, this concludes my prepared statement. At this time, I would like to submit for the record a copy of our response to the Nevada consulting firm's critique as well as our reports on BLM allotment monitoring and management of hot desert grazing activity. I would also be pleased to respond to any questions you or members of the Subcommittee may have.

APPENDIX I: RELATED GAO PRODUCTS

Rangeland Management: BLM's Hot Desert Grazing Program Merits Reconsideration (GAO/RCED-92-12, Nov. 26, 1991).

Rangeland Management: Comparison of Rangeland Condition Reports (GAO/RCED-91-191, July 18, 1991).

Rangeland Management: Current Formula Keeps Grazing Fees Low (GAO/RCED-91-185BR, June 11, 1991).

Public Land Management: Attention to Wildlife is Limited (GAO/RCED-91-64, Mar. 7, 1991).

Rangeland Management: BLM Efforts to Prevent Unauthorized Livestock Grazing Need Strengthening (GAO/RCED-91-17, Dec. 7, 1990).

Public Lands: Limited Progress in Resource Management Planning (GAO/RCED-90-225, Sept. 27, 1990).

Rangeland Management: Improvements Needed in Federal Wild Horse Program (GAO/RCED-90-110, Aug. 20, 1990).

California Desert: Planned Wildlife Protection and Enhancement Objectives Not Achieved (GAO/RCED-89-171, June 23, 1989).

Public Rangelands: Some Riparian Areas Restored but Widespread Improvement Will Be Slow (GAO/RCED-88-105, June 30, 1988).

Rangeland Management: More Emphasis Needed on Declining and Overstocked Grazing Allotments (GAO/RCED-88-80, June 10, 1988).

Rangeland Management: Grazing Lease Arrangements of Bureau of Land Management Permittees (GAO/RCED-86-168BR, May 30, 1986).

Public Land Management: Issues Related to the Reauthorization of the Bureau of Land Management (GAO/T-RCED-91-20, Mar. 12, 1991).

Management of the Public Lands by the Bureau of Land Management and the U.S. Forest Service (GAO/T-RCED-90-24, Feb. 6, 1990).

Shortfalls in BLM's Management of Wildlife Habitat in the California Desert Conservation Area (GAO/T-RCED-90-1, Oct. 2, 1989).

Change in Approach Needed to Improve the Bureau of Land Management's Oversight of Public Lands (GAO/T-RCED-89-23, Apr. 11, 1989).

Management of Public Rangelands by the Bureau of Land Management GAO/T-RCED-88-58, Aug. 2, 1988).

Restoring Degraded Riparian Areas on Western Rangelands (GAO/T-RCED-88-20, Mar. 1, 1988).

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. COX].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. COX of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 134, noes 292, not voting 8, as follows:

[Roll No. 226]

AYES—134

Allard
Allen
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bereuter
Bilirakis
Bliley
Boehner
Bunning
Burton
Callahan
Camp
Campbell (CA)
Chandler
Coble
Coleman (MO)
Combest
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Early
Edwards (OK)
Emerson
Erdreich
Ewing
Fawell
Fields
Fish
Ford (TN)
Franks (CT)
Gallegly
Gekas
Gillmor
Gingrich
Goodling
Goss
Grandy
Gunderson
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Hunter
Hyde
Inhofe
James
Johnson (CT)
Johnson (TX)
Klug
Kolbe
Kyl
Lagomarsino
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Marlenee
Martin
McCandless
McCollum
McCrery
McEwen
McMillan (NC)
Meyers
Miller (OH)
Miller (WA)
Molinari
Moorhead
Murphy
Myers
Nichols
Nussle
Oxley
Packard
Paxon
Petri
Porter
Pursell
Quillen
Ramstad
Rhodes
Ridge
Riggs
Rinaldo
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Santorum
Saxton
Schaefer
Schulze
Sensenbrenner
Shaw
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torricelli
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Whitten
Wylie
Zeliff
Zimmer

NOES—292

Abercrombie
Ackerman
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Barnard
Bateman
Beilenson
Bennett
Bentley
Berman
Bevill
Bilbray
Blackwell
Boehlert
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Clinger
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Glickman
Gonzalez
Gordon
Gradison
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McGrath
McHugh
McMillen (MD)
Mfume
Michel
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Morella
Morrison
Mrazek
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta

[5] See *Rangeland Management: Forest Service Not Enforcing Needed Monitoring of Grazing Allotments* (GAO/RCED-91-148, May 16, 1991).

[6] The "hot deserts" encompass the Mojave, Sonoran, and Chihshuan deserts. BLM manages land in these deserts in portions of California, Nevada, Utah, Arizona, and New Mexico.

Parker	Sabo	Synar
Pastor	Sanders	Tallon
Patterson	Sangmeister	Tanner
Payne (NJ)	Sarpalius	Tauzin
Payne (VA)	Savage	Taylor (MS)
Pease	Sawyer	Thomas (GA)
Pelosi	Scheuer	Thornton
Penny	Schiff	Torres
Perkins	Schroeder	Towns
Peterson (FL)	Serrano	Traficant
Peterson (MN)	Sharp	Unsoeld
Pickett	Shays	Valentine
Pickle	Sikorski	Vento
Poshard	Sisisky	Visclosky
Price	Skaggs	Volkmer
Rahall	Skelton	Washington
Rangel	Slattery	Waters
Ravenel	Slaughter	Waxman
Ray	Smith (FL)	Weiss
Reed	Smith (IA)	Wheat
Regula	Snowe	Williams
Richardson	Solarz	Wilson
Ritter	Spence	Wise
Roe	Spratt	Wolf
Roemer	Staggers	Wolpe
Rose	Stallings	Wyden
Rostenkowski	Stark	Yates
Roth	Stenholm	Yatron
Roukema	Stokes	Young (AK)
Rowland	Studds	Young (FL)
Roybal	Swett	
Russo	Swift	

NOT VOTING—8

Bonior	Jones (GA)	Schumer
Dymally	Lowery (CA)	Traxler
Hefner	McNulty	

□ 1722

Messrs. NAGLE, MFUME, TALLON, LENT, and STENHOLM changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of the funds appropriated in this Act shall be used for the maintenance or care of private vehicles, except for emergency assistance and cleaning as may be provided under regulations relating to parking facilities for the House of Representatives issued by the Committee on House Administration and for the Senate issued by the Committee on Rules and Administration.

SEC. 302. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 303. Whenever any office or position not specifically established by the Legislative Pay Act of 1929 is appropriated for herein or whenever the rate of compensation or designation of any position appropriated for herein is different from that specifically established for such position by such Act, the rate of compensation and the designation of the position, or either, appropriated for or provided herein, shall be the permanent law with respect thereto: *Provided*, That the provisions herein for the various items of official expenses of Members, officers, and committees of the Senate and House, and clerk hire for Senators and Members shall be the permanent law with respect thereto.

SEC. 304. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 305. (a) The Architect of the Capitol, in consultation with the heads of the agencies of the legislative branch, shall develop an overall plan for satisfying the telecommunications requirements of such agencies, using a common system architecture for maximum interconnection capability and engineering compatibility. The plan shall be subject to joint approval by the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate, and, upon approval, shall be communicated to the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate. No part of any appropriation in this Act or any other Act shall be used for acquisition of any new or expanded telecommunications system for an agency of the legislative branch, unless, as determined by the Architect of the Capitol, the acquisition is in conformance with the plan, as approved.

(b) As used in this section—

(1) the term "agency of the legislative branch" means the Office of the Architect of the Capitol, the Botanic Garden, the General Accounting Office, the Government Printing Office, the Library of Congress, the Office of Technology Assessment, and the Congressional Budget Office; and

(2) the term "telecommunications system" means an electronic system for voice, data, or image communication, including any associated cable and switching equipment.

(c) This section shall apply with respect to fiscal years beginning after September 30, 1992.

Amendment considered as adopted in the House and in the Committee of the Whole, pursuant to section 2 of House Resolution 499:

On page 34, strike line 17, beginning with "Notwithstanding" through line 20, ending with "amounts" and insert in lieu thereof "Amounts".

On page 34, insert on line 3 after "use" the following: ": *Provided*, That no such amounts may be transferred before the date of the enactment of an Act authorizing the use of funds for that purpose".

SEC. 306. Notwithstanding any other provision of law, and subject to approval by the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate, amounts may be transferred from the appropriation "Library of Congress, Salaries and expenses" to the appropriation "Architect of the Capitol, Library buildings and grounds, Structural and mechanical care" for the purpose of purchase, rental, lease, or other agreement, of storage and warehouse space for use by the Library of Congress during fiscal year 1993, and to incur incidental expenses in connection with such use.

SEC. 307. The amounts deposited in the account established by section 312(d)(1)) of the Legislative Branch Appropriations Act, 1992 (40 U.S.C. 184g(d)(1)) shall be available for salaries and expenses of the House of Representatives Child Care Center without fiscal year limitation, subject to the approval of the Committee on Appropriations of the House of Representatives.

SEC. 308. (a) Section 316(a) of the Legislative Branch Appropriations Act, 1990 as so redesignated by section 311(h)(3) of the Legislative Branch Appropriations Act, 1991 (39 U.S.C. 3210 note) is amended—

(1) in the matter before paragraph (1), by striking out "or a Member of the House of Representatives"; and

(2) in paragraphs (1) and (2), by striking out "or Member" each place it appears.

(b) The amendments made by subsection (a) shall take effect on October 1, 1992.

SEC. 309. (a) Section 3210 of title 39, United States Code, is amended—

(1) in subsection (a)(7), by striking out "of the Member, except" and all that follows through the end of subparagraph (B) and inserting in lieu thereof "from which the Member was elected."; and

(2) in subsection (d)(1), by striking out "delivery—" and all that follows through the end of subparagraph (B) and inserting in lieu thereof "delivery within that area constituting the congressional district or State from which the Member was elected.".

(b) The amendments made by subsection (a) shall take effect on October 1, 1992.

AMENDMENT OFFERED BY MR. THOMAS OF CALIFORNIA

Mr. THOMAS of California. 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 offered by Mr. THOMAS of California.

Page 35, line 22, strike out "October 1, 1992" and insert in lieu thereof "the date of the enactment of this Act".

The CHAIRMAN. Under the rule, the gentleman from California [Mr. THOMAS] will be recognized for 5 minutes, and a Member opposed will be recognized for 5 minutes.

The Chair recognizes the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, section 309 of the Legislative Appropriations Act of 1993 is, in essence, H.R. 4104, which I introduced along with a number of cosponsors on January 22. On January 28 the bill was jointly referred to the Committees on Post Office and Civil Service and House Administration. This bill sought to deny Members franked mass mailings to people who are outside their congressional districts and to prohibit House allowances paying for such mailings.

The committees of jurisdiction would not consider the bill in the orderly process of legislative hearings. On April 8, on a motion to recommit to conference, this House, using the content of H.R. 4104 as its vehicle, voted 408 to 8 for the provision in front of us.

The specific amendment that is offered changes the October 1, 1992, effective date, which I believe to have been a clerical error by staff establishing a boilerplate October 1 date for each of these provisions. The amendment would restore to the agreement, as I understand it, in the Legislative Appropriations Subcommittee, to "date of enactment."

The amendment changes October 1, 1992, to "date of enactment." We have already delayed too long. This makes it possible as soon as possible from a statutory point of view.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of California. I yield to the chairman of the subcommittee, the gentleman from California, [Mr. FAZIO].

Mr. FAZIO. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment. I just wanted to indicate that it is my understanding of the Thomas amendment is that in changing the effective date of the section, it does not attempt to be retroactive, or to create some period of uncertainty about the law. That is, the Thomas amendment will take effect on the date of enactment of this bill into law, and will not change the law retroactively, nor make the law uncertain in the period until that effective date.

There may be Members who have not yet mailed their annual questionnaires and similar mailings. They will want the law to be clear as to what they can or cannot do as of a particular date, and will not want to be in an uncertain area about what the law provides or whether the law is changing on them retroactively.

For this reason I am glad the Thomas amendment would make a clear change, drawing a bright line, prospectively rather than retroactively, effective on the date of enactment of this bill.

Is that correct?

Mr. THOMAS of California. That is correct. Members have been mailing on borrowed time long enough, and this does provide a date specific, a date certain, whenever it passes.

Mr. FAZIO. If the gentleman would yield further, I am pleased that we can finally put into effect something we voted on twice during the session.

Mr. THOMAS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BARTON], who has from the very beginning shared concern about this portion of the law.

□ 1730

Mr. BARTON of Texas. Mr. Chairman, I rise in support of the amendment of the gentleman from California [Mr. THOMAS]. This is a very good amendment. I want to commend the gentleman for continuing to raise this issue.

Mr. Chairman, it is fairly straightforward. Every Member of Congress, as a Member, has a right to mail mass mailings to his existing congressional district, to stay in touch with those constituents. This is an honorable practice, the traditional practice. In redistricting years, unfortunately, we have adopted the practice of allowing Members to mail outside their existing districts, and in my opinion that is a taxpayer financed, indirect way to campaign at taxpayer expense.

The gentleman from California [Mr. THOMAS] has tried continually to end that practice. He has succeeded in getting this in the campaign finance bill that is going nowhere. He has succeeded in getting it into this bill that is going into law, and what this amendment does is set a date certain.

The paragraph that is in the pending bill says: October. Well, Mr. Chairman, that is too late. We are not going to save any money. By October we are near the election in November, so we would basically continue to mail outside the district up until the election. This amendment says July 15, I believe, or when the bill becomes law, and that has real teeth.

So, Mr. Chairman, I think we should support it. I think we should end the somewhat hypocritical practice of mailing outside our districts for no other reason than to get higher I.D., and we should begin to practice what we preach, which is fiscal accountability and real reform.

I thank the gentleman from California [Mr. THOMAS] for offering this amendment and urge its adoption.

Mr. THOMAS of California. Mr. Chairman, just briefly in closing, the amendment does say date of enactment, but I want to put the Members on notice that section 2 of the bill directs the Committee on House Administration to administratively refuse to pay for those mass mailings that are outside the district, and at the next full meeting of the Committee on House Administration I will seek a date certain of mid-July, July 15, so that we can end this practice even sooner than waiting for this statute to become law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. THOMAS].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BARTON of Texas. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 417, noes 2, not voting 15, as follows:

[Roll No. 227]

AYES—417

Abercrombie
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Boxer
Brewster
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz

Solomon	Taylor (NC)	Waters
Spence	Thomas (CA)	Weber
Spratt	Thomas (GA)	Weiss
Staggers	Thomas (WY)	Weldon
Stallings	Thornton	Wheat
Stark	Torres	Whitten
Stearns	Torricelli	Williams
Stenholm	Towns	Wilson
Stokes	Traficant	Wise
Studds	Unsoeld	Wolf
Stump	Upton	Wolpe
Sundquist	Valentine	Wyden
Swett	Vander Jagt	Wylie
Swift	Vento	Yates
Synar	Visclosky	Yatron
Tallon	Volkmer	Young (AK)
Tanner	Vucanovich	Young (FL)
Tauzin	Walker	Zeliff
Taylor (MS)	Walsh	Zimmer

NOES—2

Rahall Washington

NOT VOTING—15

Ackerman	English	McNulty
Alexander	Gaydos	Olin
Bonior	Hefner	Schumer
Brooks	Hyde	Traxler
Dymally	Jones (GA)	Waxman

□ 1753

Mr. DWYER of New Jersey changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 310. Effective November 5, 1990, section 106(a) of Public Law 101-520 is amended by striking out "(a) The" and inserting in lieu thereof "Section 9 of the".

SEC. 311. No part of any appropriation contained in this Act shall be used to carry out the provisions of subsections (b)(1) and (b)(3) of section 5 of Public Law 100-480, approved October 7, 1988, as those provisions relate to interior security of the Federal Judiciary Building.

AMENDMENT OFFERED BY MR. GEKAS

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GEKAS: PAGE 36, AFTER LINE 5, INSERT THE FOLLOWING NEW SECTION:

SEC. 312. Section 313 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439a) is amended by striking out "may be" the first place it appears and all that follows through the end of the section and inserting in lieu thereof "shall, when the individual ceases to hold Federal office, as determined by the individual—

"(1) be submitted to the Secretary of the Treasury for deposit in the Treasury as miscellaneous receipts;

"(2) be contributed to any organization described in section 170(c) of the Internal Revenue Code of 1986;

"(3) be returned to the persons who made the contributions;

"(4) be transferred without limitation to any national, State, or local committee of any political party; or

"(5) be contributed to an authorized committee of a candidate for Federal, State, or local office, within the limits provided for by law.".

Mr. FAZIO. Mr. Chairman, I reserve a point of order on the gentleman's amendment and wish that he would explain it to the Members.

The CHAIRMAN. The gentleman from California reserves a point of order on the amendment.

The gentleman from Pennsylvania [Mr. GEKAS] is recognized for 10 minutes.

Mr. GEKAS. Mr. Chairman, I yield myself such time as I many consume.

Mr. Chairman, at a moment in the history of the Congress of the United States when esteem by the public is at its lowest ebb, when reform is the key word of the day, I offer this amendment to this legislation to help restore some of the integrity which we have so fleetingly lost in this Chamber.

Mr. Chairman, my amendment would end the life of the grandfather clause which protects those individuals who, having become Members before 1980 and who will retire before 1993, to prohibit them from converting the unused campaign funds to their personal use.

The amendment would provide that those individuals would have a perfect right to return the money to the contributors, to forward it to some charity of their choosing, to give it to some political entity dear to their hearts, but under no circumstances to convert it to one's personal use. These funds were contributed for a specific purpose, Mr. Chairman, to aid that individual in attaining a political office. And it should be used for those purposes primarily or for those purposes that are as close to that as possible when someone retires with unused campaign funds.

This legislation, the main legislation has several items in it, Mr. Chairman. The gentleman from California and others will agree that the bill has provisions in it which go to the reform of this institution: the mailings, the fees, the gym, et cetera. If any one of those provisions would have been the one to be offered here in the form of an amendment, we are wondering would the gentleman from California be reserving a point of order.

In other words, Mr. Chairman, this amendment of mine fits perfectly into the pattern, that the bill itself is legislating in an appropriations bill to accomplish those measures of reform. That is why I am asking that in the final analysis that the Chair rule that this amendment is in order.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from California [Mr. FAZIO] wish to be heard on his point of order?

Mr. FAZIO. Mr. Chairman, I would simply say that the Committee on Rules has made distinctions between those which they protected and which they did not. This clearly is not in the protected category, and I would indicate to the chairman that while many, many Members of this body are not at all affected by the grandfather clause and while many who are covered by it have made public their decision not to exercise it or have, by their decision to seek reelection, made themselves ineligible to utilize it, it is important that we keep faith with the Ethics Reform Act which was passed overwhelmingly in this body several years ago.

Mr. Chairman, I make a point of order against the amendment because it proposes to change existing law and constitutes legislation in an appropriations bill and, therefore, violates clause 2 of rule XXI.

□ 1800

Mr. GEKAS. Mr. Chairman, a point of parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. GEKAS] wish to be heard on the point of order?

Mr. GEKAS. Yes, Mr. Chairman, I do. Is there time available to debate the point of order undertaken by the gentleman?

The CHAIRMAN. Within the Chair's discretion, the gentleman is recognized to debate the point of order.

Mr. GEKAS. Mr. Chairman, the point of order that has been exercised is the one to which I made my previous remarks, that it is legislating, if I am correct, that it is legislating in an appropriations bill. If that is the stem of the point of order, then I submit, again, for the record, that standing alone, any one of a dozen provisions in this legislative appropriations bill that is before us, had it exchanged places with me and with this amendment, would be subject to the same point of order.

The inquiry that I want to make is if indeed any part of the bill, standing alone, would be subject to this point of order, would not mine then be in order?

The CHAIRMAN. The Chair will respond that the rule waived certain points of order against provisions in the bill, but not against all amendments, and the rule was adopted by the House. The Chair is prepared to rule.

Mr. GEKAS. I understand. I made a point of parliamentary inquiry.

The CHAIRMAN. The Chair will continue that the rule did not exempt this amendment from a point of order.

Does any other Member wish to be heard on the point of order?

Mr. WALKER. Mr. Chairman, I wish to be heard on the point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, if I understand correctly, the rule did in fact allow certain amendments to be brought forward on the floor. The rule specifically named amendments. It seems to me that what the gentleman from California [Mr. FAZIO] wishes to do is now step in and suggest that what the Committee on Rules put forward in terms of the specific amendments do not constitute appropriate amendments on the floor because of its legislating in an appropriations bill.

On the other hand, the committee did say, I think the language was "amend-

ments 1 and 9." Some could put an interpretation on that, that that meant the entire scope of the amendments that were listed in the bill, of amendments 1 through 9. I think that of the gentleman from Pennsylvania [Mr. GEKAS] is one of those amendments, and therefore does deserve the protection that was accorded by the rule, and it should be allowed to be made in order.

It seems to me that the intent here was, if I understood the Committee on Rules when they were on the floor earlier, was that these amendments were all to be considered on the floor. It was clear to me that the gentleman from South Carolina [Mr. DERRICK], who brought the rule to the floor, said over and over again that they were allowing 11 amendments to be offered. He specifically made reference to the fact of the amendments brought to the floor, that 11 were set aside for consideration on the floor. Then there is a specific clause in there that relates to these specific amendments.

As I say, there are two interpretations. One interpretation is that it means only amendment 1 and amendment 9. However, when the staff of the Committee on Rules on our side originally read that rule, they believed, based upon what they had heard in the Committee on Rules, that it meant all nine of the amendments.

It is evidently the contention of the gentleman that instead, only two of the amendments of those nine are being offered. So it seems to me the Chairman has a ruling here. The Chairman has to rule whether or not all nine amendments were protected, or whether only two of the nine were protected. The Chairman has to rule based upon, then, what the gentleman from South Carolina [Mr. DERRICK] represented on the floor earlier today, and the representation of the gentleman from South Carolina who brought the rule to the floor earlier today was that all 11 of the amendments were supposed to be considered by the House.

Therefore, one assumes that this one through nine was in fact an entire scope of amendments, not just two.

The CHAIRMAN. The Chair will respond. The Chair is constrained by the language of the resolution adopted by the House, line 25, "All points of order under clause 2 of rule XXI against amendments in the report numbered 1 and 9 are waived."

The Chair is prepared to rule on the point of order of the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I would insist on my point of order. I appreciate the Chair's use of the word "and."

PARLIAMENTARY INQUIRY

Mr. GEKAS. Mr. Chairman, a further parliamentary inquiry. Maybe I did not make myself clear. I believe this requires a ruling by the Chair preliminary to the point of order that has been fashioned by the gentleman from California [Mr. FAZIO].

What my parliamentary inquiry is, is if this amendment of mine parallels in purpose and in scope and even in language a paragraph already in as part of the bill, where the bill is patently an appropriation bill, and yet there are legislative provisions in that bill, either my bill is in order or the entire bill is out of order.

The CHAIRMAN. The Chair would again respond that the Chair is constrained by the adoption of the rule earlier today by the House on which only certain points of order against amendments 1 and 9 were waived.

Mr. GEKAS. As a point of parliamentary inquiry, is the Chair saying to me that the rule as fashioned overrules any further consideration of the content of the rule?

The CHAIRMAN. The Chair has earlier ruled twice during consideration of amendments in the Committee of the Whole that two other amendments which were offered by a different gentleman from Pennsylvania were in fact legislation on an appropriation bill in violation of the rules of the House, and were not given waivers by the rule that was adopted by the House.

The Chair is restrained by the rule that was adopted by the House.

The CHAIRMAN. Does the gentleman from California [Mr. FAZIO] insist on his point of order?

Mr. FAZIO. Yes, Mr. Chairman, I certainly do.

The CHAIRMAN [Mr. DONNELLY]. The gentleman from California makes the point of order that the amendment offered by the gentleman from Pennsylvania violates clause 2 of rule XXI by proposing legislation on a general appropriation bill.

The gentleman's amendment simply and directly amends the Federal Election Campaign Act of 1971. As such it proposes legislation and does not merely perfect provisions in the bill.

The point of order is sustained.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Chairman, I have a parliamentary inquiry. I think the Chair just ruled this violates clause 2 of rule XX. I know of no violation of clause 2 of rule XX that would be involved here.

The CHAIRMAN. The Chair would respond. The Chair said rule XXI.

Mr. WALKER. I believe the Chair said rule XX.

The CHAIRMAN. The Chair is ruling under rule XXI.

Mr. WALKER. I thank the Chair for that direction. That does make it a little easier to understand.

Mr. GEKAS. Mr. Chairman, ordinarily I would entertain thoughts of appealing this ruling. However, I am constrained to put on the record that as a lawyer and as a Member of this House, I do believe that the Chair's ruling is within the parameters of propriety. However, I still believe that the point that I made about an amendment paralleling provisions in the bill makes it in order. I will not appeal the ruling of the Chair.

The CHAIRMAN. It is now in order to consider amendment No. 8 printed in House Report 102-609.

AMENDMENT OFFERED BY MR. SMITH OF TEXAS

Mr. SMITH of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SMITH of Texas: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . Each appropriation made by this Act (other than for official mail costs, official expenses of Members, and standing committees, special and select) is hereby reduced by an amount equal to 10 percent of the portion of such appropriation that is provided for in object classifications 21 (travel and transportation of persons), 22 (transportation of things), 23 (rental payments, communications, utilities, and miscellaneous charges), 24 (printing and reproduction), 25 (other services), and 26 (supplies and materials).

Mr. FAZIO. Mr. Chairman, I reserve a point of order on the gentleman's amendment, and look forward to his explanation.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. SMITH] will be recognized for 10 minutes, and a Member opposed to the amendment will be recognized for 10 minutes.

The Chair recognizes the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the point of this amendment is to cut overhead spending within the legislative branch of the Government by 10 percent, and by overhead spending, I am talking about such items as travel, supplies, and printing. These are common sense cuts. We are not talking about one person losing his job, we are not talking about cutting one program. What we are talking about is saving the American taxpayer $43 million.

Mr. Chairman, over the last 20 years Government spending in the overhead category has increased at almost twice the inflation rate. It now has swollen to the point where overhead spending comprises almost one-third of the Federal budget.

To my knowledge, it has never been specifically targeted before, never been scrutinized before, and that is what this amendment attempts to do.

Mr. Chairman, there is grassroots support for this amendment. It has been endorsed by the Citizens Against Government Waste, and the National Taxpayers Union as well.

□ 1810

Mr. Chairman, my intent is to over the course of the summer offer a number of similar amendments to other appropriation bills. But I think it is important to start with the legislative appropriation bill in order for us to set an example. This House will have more credibility if we seek to control our own Government overhead costs before we seek to control the costs say of the executive branch.

This amendment, Mr. Chairman, to explain how it works, reduces the overhead spending by 10 percent in six object classifications. And what I am talking about here is a cumulative total.

Notice what we do is give Federal managers flexibility and say to them that in the overall six categories you have to cut 10 percent of your overhead spending. You can choose. You might decide to cut more than 10 percent in one category, such as travel. You might decide to cut less in another category, such as printing. But overall, in a cumulative total of the overhead spending, you must cut 10 percent.

It seems inconceivable to me, Mr. Chairman, that we cannot say to a Federal manager, for example, that you can take 9 trips this year but you cannot take 10 like you took last year. As I say, these are common sense cuts that deserve to be supported.

More than that, Mr. Chairman, we are overdue to scrutinize overhead spending within the Government. The national budget has reached as far as overhead spending goes almost $300 billion, and it seems to me that businesses, private sector businesses often times cut 10 percent. And we have talked to a number of them randomly in the Fortune 500, and if private sector businesses can cut 10 percent routinely from overhead costs, then cannot just once the Federal Government cut that 10 percent as well, and cannot the Federal Government just once be as efficient as the private sector.

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Texas. I am happy to yield to my colleague, the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I thank the gentleman for yielding. I simply would like to indicate that I believe his amendment is on the right track.

I was part of a task force in the Democratic Caucus which was chaired by Congressman BYRON DORGAN, and we in fact made the recommendation which had earlier been made by investigative agencies that we go after these administrative accounts throughout the Federal bureaucracy. And our assessment was that we could easily find about 10 percent to cut in all of these accounts throughout the departments and agencies.

And I think the gentleman is correct to suggest that we could do the same here on Capitol Hill as a way of setting an example, and I would commend him for the amendment and indicate my support. Congressman DORGAN has indicated to me his support for the gentleman's amendment as well.

Mr. SMITH of Texas. I thank my colleague for his support and appreciate his comments.

Mr. Chairman, let me continue to say that this 10-percent overhead cut that I referred to in my amendment does not include Members' official expenses or their franking accounts. In point of fact, they are exempted by my amendment because the appropriation subcommittee has already cut these categories by 19 percent.

Also, committee accounts are frozen, and the result of their being frozen is a 10 percent cut in overhead costs as well, and that is why those particular categories are exempt from my amendment.

The amendment does cover joint and other legislative branch, other agencies, and as I say, if we cut their overhead 10 percent cumulatively we will save the American taxpayers $43 million.

Once again, Mr. Chairman, these are common sense cuts. They are practical, they are realistic, and they provide us with opportunities to reduce Government overhead costs.

I would like to again thank Members for the support that I have received on this idea of offering this amendment. A resolution cutting overhead costs 10 percent was introduced last year. It has received the support of 68 of my colleagues. It has bipartisan support, and I assume this amendment will as well.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from California [Mr. FAZIO] wish to be heard on the point of order.

Mr. FAZIO. Mr. Chairman, I simply would say, as I indicated in my opening remarks, given the fact that it costs 5.7 percent per employee in order to just keep pace with benefits and longevity increases and cost-of-living adjustments, and given the fact that we are not providing anything like that to that 67 percent of our bill, we will be eating into the overhead in order to make it possible for people to be employed.

Mr. Chairman, most importantly, I wanted to indicate that I must make a point of order against the amendment because it proposes to change existing law and constitutes legislation in an appropriation bill, and therefore violates clause 2 of rule XXI.

The CHAIRMAN. Does the gentleman from Texas [Mr. SMITH] desire to be heard on the point of order?

Mr. SMITH of Texas. Mr. Chairman, I would like to be heard against the point of order.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. SMITH of Texas. Mr. Chairman, first of all I would like to say to my colleague from California that I appreciate the efforts that he has made in trying to get to his overhead costs, and I certainly applaud him and appreciate the work he is doing. My point here is that with my amendment we can get to those overhead costs in a direct fashion. We would not have to get it in an indirect fashion that my colleague just described, trying to squeeze those overhead costs, sort of coming in the back door.

Mr. Chairman, the point of order before the House raises significant and important questions regarding House precedents.

And I ask the Chair's indulgence and I ask my friend from California's indulgence so that I may address specifically those precedents as they apply to my amendment.

Questions I intend to address are whether the amendment legislates issues of alleged vagueness, and whether the reduction is speculative.

First, the amendment before the House does not legislate.

The amendment conforms to and rests upon Federal appropriations and budget law.

It would require officials to assume no new duties and responsibilities.

A fiction that there might attach some new duty or responsibility can only be sustained in the dark, by barring the mind's door against the existence and operation of these laws.

Then the illusion would seem to be that the House has before it a one-dimensional snapshot of legislative branch budget.

The legal and practical reality is that it has a hologram, a three-dimensional body of budgetary law, clear and certain, known to all those that have a responsibility and a duty to implement the 1993 legislative budget.

Included within the body of law which underpins this legal reality are numerous decisions of the Comptroller General including: 35 Comp. Gen. 306, 308 (1955); 28 Comp. Gen. 296, 298 (1948); 26 Comp. Gen. 545, 547 (1947); 23 Comp. Gen. 547 (1917); B–125935.

This body of law gives legal and binding status to budget accounts such as object classes.

They establish the legal framework within which Federal appropriations are controlled and implemented.

They are definite.

There is only one budget, one law, and one set of budget data.

And the data is readily available to all.

Members may leave this Chamber and pick up in H–218 of the Capitol a precise, detailed listing of each account referenced in the amendment for each organization within the scope of this amendment.

The Legislative Appropriations Subcommittee has published this data in official House document number 50–979.

Every legislative branch official responsible for obligating funds and managing official expenses is or should be familiar with the object classes cited in the amendment.

They can quickly identify for anyone what the balance is in each account.

For it to be otherwise, we would have to admit to the American public that legislative branch officials are conducting the people's business wholly outside Federal appropriations law and without dutiful oversight of the requirements of the Anti-Deficiency Act which prohibits the obligation of taxpayer moneys without an appropriation by the Congress.

Further, each Member in this Chamber gets a monthly statement of his or her expenditures. The Speaker and each member of the leadership, the Parliamentarian and each and every other office that is responsible for managing expenditures in these accounts has similar reports.

Those statements directly reference the object classes identified in my amendment.

My amendment does nothing to repeal or alter the legal structure within which we in the legislative branch conduct our financial business on behalf of the American people.

Does the amendment require new duties and responsibilities?

No.

The amendment is self executing.

Each financial administrator in the legislative branch will, upon adoption of my amendment, know with a quick glance at the identified accounts, what reduction he or she is to take.

As noted previously, law has created a three-dimensional budget that by our fiscal laws includes clear, uniform accounts including certain object classes.

The 1993 budget numbers in those accounts are definite and knowable, and—upon enactment of the bill—require that certain duties and accountabilities be met.

There is no leeway for discretion in deciding what amount is available in any given account.

My amendment requires: No new management responsibilities; No new personnel; No changes in job descriptions; No change in organization policy and procedure manuals and; No new oversight functions either by this body or legislative branch personnel.

Only by assuming that we are not governed by the appropriation laws that are imposed on every executive and judicial branch department, can this body close its eyes to its responsibility to act on a question of whether to reduce its own costs.

To sustain the argument that this amendment legislates, the House must first deny the existence of fiscal law and then rule that the amendment before the House would either change or add to that body of non-existent law.

Therefore, I would first ask the Chair to rule that my amendment does not legislate.

Second, should the Chair rule that my amendment is legislation, I submit that it falls within the protections of the Holman rule.

Under House precedents, unless an amendment proposes legislation which will retrench an expenditure with definite certainty, it is not in order under the Holman rule.

House precedents require that the reduction must be certain, not speculative.

SEC. 5.2 To come within the purview of the Holman rule, it must affirmatively appear that a proposition, if adopted, will retrench expenditures as a definite result, not as a probable or possible contingency.

The decision is based on a 1940 ruling.

In that instance, a member offered an amendment which stated in part "that the provisions of this Act shall not apply to a sale of bituminous coal for the exclusive use of the United States or of any State or Territory of the United States. * * *"

During debate on a point of order raised to the offering of the amendment, the sponsor confessed in part:

About 35,000,000 tons of coal will be used, and it will cost the Federal, State, and city governments approximately $3,850,000.

On the facts, that precedent is readily differentiated from those concerning the amendment before the House today.

The sponsor conceded that an exact amount of the retrenchment was uncertain.

Elements in the amendment equation were outside the control of Federal officials.

It was based on estimates of coal usage.

In the present amendment, the budget requests are precise and certain, and upon enactment, binding.

In this 1940 precedent, the Chair directed attention to Cannon's Procedure in the House of Representatives which provides in part:

* * * a retrenchment conjectural or speculative in its application, or requiring further legislation to effectuate, is not admissible.

The reduction * * * must appear as a certain and necessary result and not as a probable or possible contingency.

Mr. Chairman, the reduction in my amendment is not conjectural or speculative.

The accounts and the amounts in those accounts in the budget before the House are as a matter of law and legislative branch administrative practice precise, definite, and allow for no discretion in being ascertained.

House adoption of my amendment can have by law and related administrative practices but one result.

By appropriations law the amendment effectively is self enacting.

No discretion is either called for or permissible.

Cannon's Procedure in the House of Representatives notes further:

It must affirmatively appear upon the face of the bill that the proposition, if enacted, will retrench expenditures.

Cannon's goes on to elaborate:

A retrenchment of expenditure relied upon to bring a proposition within the exception to the rule prohibiting legislation on an appropriation bill must be apparent from its terms,* * *.

Mr. Chairman, I submit to you and my colleagues that the terms of my amendment affirmatively establish that the proposition, when enacted, will retrench expenditures.

The term object class and the object classes for travel and other similar expenditures are terms established in Federal appropriations law and administrative practices.

They are uniformly recognized throughout the legislative branch and the Federal Government by officials charged with controlling the obligation of taxpayer dollars.

As the House acts on the appropriation measure before it, it is bound as a matter both of common sense and law to adopt and accept the terms clearly established and recognized in Federal appropriations law.

The argument that the terms of my amendment do not "affirmatively" appear upon their face to retrench expenditures is to argue that the House is not to recognize and accept appropriation law terms when acting on spending measures.

If not these terms and legal requirements, then what terms?

An objection has been raised and sustained in the past when it was contended that one could not look at the bill and the given amendment and tell whether the amendment would reduce expenditures.

That is not the case in the present situation.

It is a mistake of fact and a mistake in law to assume that the exact figures in the object classes are "estimates", that they are not certain as a matter of law.

They unequivocally are certain.

This body has enacted the very laws that make that the case.

To illustrate, such numbers are readily available in the 1993 legislative branch budget, which will become binding upon being signed into law, consider that $4,020,000 is to be appropriated for the Joint Economic Committee.

Spending in object classes 21 through 26 for the Joint Economic Committee totals $160,000.

And upon adoption, my amendment reduces that by 10 percent or $16,000.

That is a 0.4-percent reduction.

For every appropriation in the legislative branch budget the same certain, definite dollar amounts are readily available and are, as a matter of law, incorporated into the bill we will enact.

It may interest the Members to know that the overall reduction for the House is 2 percent.

Mr. Chairman, I ask that my amendment be ruled in order.

□ 1820

The CHAIRMAN. Does the gentleman from California [Mr. FAZIO] wish to be heard further on the point of order?

Mr. FAZIO. Mr. Chairman, may I be heard briefly to further reiterate my request for a point of order against the amendment on the grounds that it violates clause 2 of rule XXI.

The President's budget does provide backup material to some accounts in this bill, breaking down the budget requests by object class categories to help us come up with a recommendation. However, the President's budget does not include such detail for all accounts in this bill, so the first problem is there are no official object class breakdowns for some of the accounts in this bill.

But more important, even if we had all of the object class estimates, there is no direct correlation between the appropriation line items in the bill, which are broader accounts, and the budget backup material that is provided to the committee.

Mr. Chairman, there is simply no way of correlating the amounts in the bill back to each and every object class named in the amendment. No such object class dollar amounts are included in this bill.

Quite simply, the gentleman's amendment is defective, because there is no starting point from which to cut. It is impossible to implement this or to know how much, if any, would be saved under this amendment.

I, therefore, submit that it does not qualify as a retrenchment under the rule, and I would be greatly relieved if the Chair would rule at this time.

The CHAIRMAN. Does the gentleman from Texas [Mr. SMITH] wish to be heard further?

Mr. SMITH of Texas. Mr. Chairman, I would like to respond briefly to my colleague's comments.

The first point I would like to make, and to reply to the comments of my friend, the gentleman from California, that the categories that the amendment references are incorporated into the act by law and are, frankly, all known to every single individual who administers it. No additional research is necessary.

My colleague from California wondered whether I would be able to come up with the exact figures the cuts would entail. I will be happy to share these figures with him in as much detail as he would like. For example, under the legislative appropriations title I, the House of Representatives, we exempted the official expenses of the mail and the committees; the cuts would amount to $3,253,000, or a 4-percent cut. Under joint items, for example, a 10-percent cut would amount to $21,725,000, or a 6-percent cut. Under other agencies, the total cuts would be $18,916,000, or 3 percent, and the total under title I of legislative appropriations would be $43,894,000, or an overall cut of 2 percent.

The CHAIRMAN. Does the gentleman from California [Mr. FAZIO] wish to be heard further under the point of order?

Mr. FAZIO. Mr. Chairman, I would be happy if the Chair would just simply rule, if he would.

The CHAIRMAN. Does the gentleman from Texas [Mr. SMITH] wish to be heard further?

Mr. SMITH of Texas. No, Mr. Chairman.

The CHAIRMAN (Mr. DONNELLY). The Chair is prepared to rule.

The gentleman from California makes a point of order that the amendment offered by the gentleman from Texas violates clause 2 of rule XXI by legislating on a general appropriation bill.

The Chair is guided by the precedent of May 17, 1951. That ruling is recorded in "Deschler's Precedents" at volume 8, chapter 26, section 506:

"An amendment to an appropriation bill providing for percentage reduction in accounts carried in the bill to be computed by applying percentages to the corresponding estimates in the President's budget was held to be legislation and not in order under the Holman rule inasmuch as no reduction was shown on its face, and any reduction thereunder would be speculative."

The Chair noticed that in the gentleman's response to the point of order he did not make mention of that May 17, 1951, precedent.

So, based on that precedent, the point of order is sustained.

□ 1830

The CHAIRMAN. It is now in order to consider amendment No. 9. For what purpose does the gentleman from Kansas rise?

AMENDMENT OFFERED BY MR. ROBERTS

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ROBERTS:

Page 36, after line 5, insert the following new section:

SEC. 312. None of the funds made available by this Act may be used for any expense of a legislative service organization.

The CHAIRMAN. Under the rule, the gentleman from Kansas [Mr. ROBERTS] will be recognized for 20 minutes, and the gentleman from California [Mr. FAZIO], who is in opposition, will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kansas [Mr. ROBERTS].

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

Mr. Chairman, I rise in support of the amendment offered by myself and Mr. WALSH of New York.

First, let me disabuse Members as to what we are trying to accomplish. This is not an attempt to do away with, eliminate or perjure the intent of legislative service organization or caucuses.

It is what I would call, a reform effort to prevent yet another House scandal or at the very least practices and relationships that should not continue.

The time has come to make, to force the House to face a difficult decision, one we have avoided in the past and one that is crying out to be addressed. As I stated before the Rules Committee yesterday, I feel this problem is an accident waiting to happen and if we fail to address it, we should be charged with leaving the scene of an accident.

And, like so many business as usual practices around here, I know it is difficult to step back and take action you may not think warrented or action that would be contrary to your personal interest. And, I know many worry about what lurks behind the banner of reform and the law of unintended effects or for that matter the intent of amendments like this one.

Again, we are not trying to outlaw LSO's, some 92 congressional member organizations exist in the Congress today without using taxpayer funds and comingling staff and activities with special interest institutes.

What are LSO's?

Legislative service organizations are voluntary groups in which members may join. What makes them unique is their ability to pool members' official funds—official expense allowance and clerk hire moneys—to hire staff, acquire Hill office space and conduct full-time legislative operations. They form themselves into a special interest committee on Capitol Hill. They are not unique to one party and one political sector.

This ability to gather and use official funds makes them unique compared to other informal congressional caucuses and organizations.

LSO's support and serve a legislative purpose for Members. Many provide research, information and other support activities for their members. Many do their mission well and this amendment is not meant accuse them all of inappropriate activities.

RULES AND REGULATIONS

LSO's and the ability of the House Administration Committee to regulate them has long been a major concern. Since instituting reforms in 1982—brought on by detailed reports by the Better Government Association regarding congressional caucuses being awash with corporate funds—the House Administration Committee has struggled to apply vague regulations and rules for legislative service organizations. It was thought in 1982 the only way to clean up the House's past indiscretions was to create a system totally dependent on taxpayer funds for these caucuses. However, the result has been the opposite.

The 1982 regulations attempted to end the infusion and intermingling of private, special interest moneys into congressional caucuses. The true result

was the creation of private funded institutes closely related to these caucuses and outside the scope of many House rules and regulations—simple rules that currently apply to every Member and committee office.

In realizing the errors that had been made with establishing these organizations, the House Administration Committee quickly imposed ceiling the number of organizations that could be allowed LSO status. Today that artificial limit remains at 30—with dozens of the other official caucuses petitioning the committee to be granted LSO status. The committee has continually argued that once reforms of current LSO rules have taken place, these dozens of organizations petitioning for LSO status would be considered.

Over that last 10 years, the House Administration Committee has created four bipartisan task forces to review the practices of LSO's. Three task forces came back to the committee with a series of recommendations that have gone without implementations and the violations they have found have simply gone unaddressed.

I served on two of these task forces and a task force has been created in the 102d Congress that is chaired by Mr. GEJDENSON and Mr. WALSH is representing the Republicans.

SOME OF THE PROBLEMS

In summary, these are some of the abuses that have occurred and will continue to occur until the House acts;

First, the accountability of spending by LSO's is severely lacking. This allows LSO's to spend taxpayer funds for items forbidden in Members' and committee offices. In addition, these LSO's are not required to be audited.

Second, the creation of LSO's in 1982 lead to the creation of several privately funded, affiliated foundations. This relationship has lead to a commingling of private and public funds.

Third, staff between LSO's and private institutes are commonly shared. This allows private, corporate interests to fund an inside individual or contact to obtain inside-the-Hill information.

Fourth, House rules do not cover LSO's regarding nepotism, dual employment by staff between LSO's and private foundations—and even PAC's. This has lead to flagrant abuses that would not be allowed in Members' or committee offices.

Fifth, LSO's are able to overcharge Members' official expense allowance and clerk hire to create huge surpluses.

Sixth, LSO's are duplicative of the current committee structure. They use the limited resources, funding, and space that could be used by Member and committee staff.

PAST EFFORTS FOR REFORM

For years, I have been one of those advocating the simple extension of House rules to bring these organizations under the complete rules of the House. Now, after working on this issue for 8 years, I feel the time has come for a final solution. This has gone on for too long and now it is too late to separate the good from the bad.

Simply, I feel the issues regarding LSO's have grown beyond control. For that reason, I have coauthored this amendment. In fact, my colleagues should all be aware, that should these organizations wish to continue, should this amendment pass, nothing would forbid these organizations from being operated out of a Member's office or transferred to a private institute or organization off the Hill.

Mr. FAZIO. Mr. Chairman, I am happy to yield 1 minute to the gentleman from Connecticut [Mr. GEJDENSON], a member of the Committee on House Administration.

Mr. GEJDENSON. Mr. Chairman, this is simply a bad amendment. It is an amendment that would force us to duplicate the efforts that Members can achieve collectively individually. So if your State is interested in a transition of northern industrial States, those of us who are members of the Northeast-Midwest Coalition, you cannot do that work together anymore. You have got to hire 435 of these staff people.

If you think energy is an important issue and ought to be part of the future of this country, you cannot work together on energy. You have to do it individually, hiring all your staff individually and duplicating these efforts.

It seems to me that this is simply a bad idea. It ignores the work that we are doing in the House Administration Committee. We have proposals that will work their way to the floor shortly, I believe, that will deal with accounting of GAO reviews, the GAO by the way that they wanted to do away with a little while ago, another organization that saves us money.

It seems to me mind-boggling that people come to the floor with proposals that would actually drive up the cost of doing business and complicate the efforts of Members trying to achieve legislative goals. In the crisis of energy that we are in today, it would be a disaster to do away with this. There are reasonable things to do. This is not a reasonable action.

Mr. ROBERTS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. WALSH], the coauthor of the amendment.

Mr. WALSH. Mr. Chairman, I thank my distinguished colleague, the gentleman from Kansas, for his leadership on this issue.

I, too, am a member of the Committee on House Administration and have been for the past 3 years. I do not have the depth or breadth of experience that my colleague, the gentleman from Kansas does, but I have been at this issue now for some time.

It seems to me that it needs attention and it needs the attention of this House now. It has dragged on far too long.

Over the last several years many Members have come to the Committee on House Administration and to the legislative appropriations asking for increases in their clerk hire accounts, the ability to pay their staffs a proper wage and to provide the constituent services that they need to provide.

□ 1840

One of the reasons that they cite in needing more money is that they need more money to be members of legislative services organizations. Why would they need that? Because businesses and other organizations back home are putting pressure on them to join these organizations.

The implication is if you do not join them, you are not protecting that industry, you are not protecting your own constituency, not protecting your own turf.

So there is pressure there. Taxpayers' money is being used for these special-interest caucuses. Make no mistake about it, these are special interests; outside interests are setting the agenda to aid these industries.

There is nothing wrong with industry taking an interest in what is happening legislatively, but the fact is that we are using taxpayers' money commingled with private industry money to set agendas that benefit these businesses.

Using taxpayer funds to further the interests of these groups is a conflict of interest. Caucuses are allowed to do things that Members of Congress are not allowed to do.

We are forbidden by our ethics laws; for example, spouses of Members may be hired by legislative service organizations through these commingled funds. We cannot do that, and we should not. We should not be able to hire our family members to work on congressional payrolls. It is a conflict of interest.

Also, gifts are purchased, meals, travel, promoting these interests, they are all allowed under these rules that have been established to allow for legislative service organizations.

There is a gentleman who, as many of you know is no longer here, our former colleague, the gentleman from Minnesota, Mr. Frenzel, who termed this "gaming the system." That is what we are doing, gaming the system, getting around the rules.

Caucuses have grown like crazy over the last 20 years. They place huge demands on our clerk hire funds, on our staffs, on our time and on space in these buildings. We are all working in cramped space, at least the junior Members are. We need additional space. This would free up space.

All of our great civil rights laws, our impoundment laws, tax laws have been passed without the aid of legislative service organizations. They are a relatively new occurrence in the great

history of this Nation. For 200 years we have survived without LSO's. Now we have 30 of them over the past 10 years.

We do not need them.

In the past 10 years there have been four task forces implemented studying LSO's. Yet not one single recommendation from these task forces has been implemented.

As Members, we have other ways of getting this specialized information. The Dow Jones Report, the Hoover Institute, the Council of Governments, the Brookings Foundation, Heritage Foundation, all of these organizations provide us with the information we need.

Our Government, my colleagues, is simply too big. We had a $400 billion deficit last year; we will have a larger deficit this year.

This is one way, one small way that we can scale back the size of Government. We have had a committee structure that served this Nation well for 200 years. Now we are overlaying more committees on it.

People say, "Why don't you go after the select committees?" Maybe we should. But you are never going to start to scale down the committee structure until you get at the superstructure of nonofficial legislative organizations such as LSO's.

We do not need another layer of bureaucracy.

Americans are urging us to change the way we do business, to change and retrench and downsize Government. This is a painless way to scale down on the size of our huge congressional budget. This is an opportunity to vote for change, not to vote for change for change's sake but for reform.

Does this save money? By its very nature, no, it does not. It gives us one less place to spend taxpayers' money, however.

Many people might consider that a benefit.

If you are for change, if you are for reform, if you are for smaller Government, I would urge you to support the Roberts-Walsh amendment. Join us and vote to end the use of taxpayers' money to fund special-interest caucuses.

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

I would like to take a short amount of time to respond to the gentleman from Connecticut [Mr. GEJDENSON] who spoke in behalf of the Environmental and Energy Study Conference, which I understand is an LSO. In 1985 we had something started called Environmental and Energy Study Institute. So, in fact, the caucus is hooked up in a relationship with that institute. Four Senators serve on its board. Its annual budget is about $1.5 million, and comes mostly from foundations.

If you look at the spreadsheet with regard to the expenses, you have shared staff with the caucus and with the institute. It is that relationship where there is a potential problem.

There are some transportation costs here that would have to be vouchered to the House Administration Committee if you were a Member office or if you were a committee staffer. It is that kind of procedure that I think we should establish also for the caucus.

I am not trying to perjure the energy caucus; I am not trying to perjure the Energy Study Institute. Doubtlessly they do valuable research and briefings for Members and staff. But with $1.5 million, why do we have to use clerk hire? Why do we have to use official expenses and have shared staff? We could do it without this.

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

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. WEISS].

Mr. WEISS. I thank the gentleman for yielding this time.

Mr. Chairman, I must rise to state my strong opposition to the amendment to prohibit the use of official funds for legislative service organizations.

The intent is clear—to eliminate legislative service organizations and a Member's right to belong to them. Frankly, I am perplexed by the motivation behind this amendment. Caucuses provide bona fide legislative services which assist Members in serving constituents, in gaining specific and useful information on issues, and in being able to share common interests and purposes with other Members.

For instance, the arts caucus—of which I am chair—monitors every type of cultural legislation and reports to its Members weekly on issues ranging from copyright to appropriations to trade issues to technological innovations in cultural industries.

Furthermore, it is particularly ironic that these amendments are being offered immediately following the opening ceremony of the Congressional High School Art Exhibition. This activity, which brought to the Capitol young student artists, and their families from all over the country and garnered the support and participation of 256 House offices from every region and both parties, is the finest example of the activity which an informal legislative caucus can promote.

For those of us who utilize the caucuses to serve our constituents and see the hard work that can make a congressional high school art competition possible and that can monitor cultural legislation so effectively, I ask that my colleagues vote against these amendments and to do so resoundingly.

Mr. Chairman, I must say that with all of the red-herrings about spouses, I know of two spouses in the caucuses. The one case where the male Member's spouse happens not to be a member of the arts caucus, deliberately from the very beginning, so there is no conflict. Second, one of the spouses had the job before the marriage took place. So this is just a lot of hogwash and distortion.

Mr. FAZIO. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma [Mr. MCCURDY].

Mr. MCCURDY. Mr. Chairman, I rise in opposition to this amendment.

This amendment would prohibit the use of Members' clerk hire and official expense accounts to fund legislative service organizations. This amendment does nothing to reduce spending by this institution. On the contrary, it would forbid the efficiencies inherent in pooling resources to meet our legislative needs.

Legislative service organizations allow Members access to analysis and information in areas in which they and their constituencies share common interests. In many cases these organizations help us break through partisanship and work together to find common ground.

This amendment would further limit the ability of this institution to provide an equal and independent check on the vast resources of the executive branch. The argument that the information and services provided by LSO's are duplicated outside of Congress only exacerbates concerns about the influence of special interests. LSO's are legislative organizations whose sole purpose is to assist their members.

In the case of the Sunbelt caucus, for instance, a small staff provides valuable information and service to a large number of Members. The regional perspective provided by the Sunbelt caucus encourages Members to broaden their outlook and lessens the tendency toward narrow parochialism.

Mr. Chairman, if each Member of the Sunbelt caucus assigned one staffer to do the work provided by the caucus, it would cost an additional $2 million in staff salaries and benefits. Certainly there are concerns about accountability in LSO operations, and the Committee on House Administration is already considering proposals to improve the system. But the destructive, scorched earth attack of this amendment on this otherwise efficient use of our resources is outrageous.

I urge my colleagues to vote against this amendment.

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

Mr. WISE. Mr. Chairman, there has been a lot of talk, there has been a lot of talk about commingling of bad information here. As chairman of the Environmental Study Conference, let me respond very briefly to my colleague and say that, simply put, there are no employees at the EESC, the LSO who are working for the institute or foundation. Indeed, there are totally separate books. I have been cochair of this organization for 4 years and not affiliated with the institute. Indeed, the ties that are there are growing steadily, steadily apart. Mr. Chairman, I resent that wrong information.

It is this kind of information or misinformation we have been faced with.

I would like to ask my colleague, the gentleman from Texas [Mr. DELAY] if he would yield for a colloquy.

Mr. Chairman, the gentleman from Texas [Mr. DELAY] has chaired the largest Republican organization in the House other than the Republican conference itself. I would ask Mr. DELAY whether his staff contacted the minority staff of the Committee on House Administration to determine problems they found with LSO management.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

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

Mr. DELAY. I thank the gentleman for yielding.

Mr. Chairman, yes, the staff director participated in a meeting some weeks ago which included the minority staff of the House Administration Committee and, in particular, the staff responsible to the authors of this amendment. At the time, he and other LSO directors asked repeatedly for evidence of impropriety or even the appearance of impropriety. While we cannot say that LSO's are 100 percent pure, we can say that when those who have made allegations were put on the spot, they were unable to produce any specifics. They, in fact, conceded in that meeting, and I use their own words, that 99 percent of LSO expenditures are not questionable. While that leaves open 1 percent, they could produce no specifics of even any indication of impropriety.

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They further stated that, while they had carefully and repeatedly reviewed the quarterly filings of LSO's, they had not at any time contacted any LSO to indicate that they felt a reported expenditure was questionable, nor had they urged that the committee or the majority staff make any such contact. To my knowledge they have at no time asked for a formal or open hearing for consideration of any such charges, nor have they filed a report or in any way reduced to writing any specific allegations or evidence to support such allegations.

Mr. WISE. Mr. Chairman, I thank the gentleman from Texas [Mr. DELAY], and, as chair of the Democratic Study Group, he and I preside over approximately 90 percent of the House in terms of membership. We have found the same pattern. Our staff director found the same thing out in his inquiries.

Mr. Chairman, this has been innuendo of the worst order. It concerns me because indeed LSO's save money for the taxpayers. The $700 that is paid for the energy, enviornmental energy, study conference, the money that is subscribed to the Democratic Study Group or the Republican Study Committee, is a savings to the taxpayer because it means we do not have to have one or two $25,000 legislative assistants. Indeed, if this amendment passes and each person has to then come back for another legislative assistant, it will double the amount the taxpayers are paying, not reduce.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

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

Mr. DELAY. Mr. Chairman, I tend to agree with the gentleman from Kansas [Mr. ROBERTS] in that we need accountability and we need to be able to do some of the reforms that he is talking about to make sure that everything is up and aboveboard in this House as it concerns LSO's. But this is not the amendment that does it.

My colleagues, this eliminates. No such funds can be used to go to LSO's. It eliminates all LSO's.

The Republican Study Committee will end if this becomes law. The Republcan Study Committee has an excellent dedicated staff that does a lot of things for Members as they pool their resources: research, and they write bills and amendments. It supports our offices in moving these bills. It helps develop strategies that affect this legislation. It helps us put together coalitions and outside groups.

Mr. Chairman, the worst thing that a minority could do is to eliminate the ability to pool our resources. The majority has huge staffs. The only way we have any opportunity to equal that staff is to be able to pool our resources so that we can advance our positions. This is a very cost-effective way of fighting the battles that we are all trying to fight. We put together outside coalitions, and we do not commingle funds, and we try to put together strategies that will advance what we are trying to do.

We should make sure that LSO's are accountable, and we should write amendments that would make them accountable, but we should not in our own Texas firm bite off our nose to spite our face. We must oppose the Roberts-Walsh amendment because it is in our best interests, so that we can pool our resources.

Mr. WISE. Mr. Chairman, I thank the gentleman from Texas [Mr. DELAY].

Mr. Chairman, this is a true cost savings and reduces the Members' ability to choose. I would argue defeat of this amendment.

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

Mr. Chairman, let me urge my colleague, the gentleman from West Virginia [Mr. WISE], and my colleague, the gentleman from Texas [Mr. DELAY], to keep calm. The RSC is not going to end. What happens is we have regular appropriations for the Republican conference, regular appropriations for the DSG, and the DSG then is an LSO. So, they have twice the amount of funding. As a matter of fact, the DSG runs a surplus of about half a million.

That is not my intent. It would not take 1 minute for the leadership around here to extend appropriations to the very legitimate arms of both parties. But here I notice in the spreadsheet for the RSC, my own party, my own minority: travel, $157, no voucher approval. We have 32 consultants, $27,000. Nobody, no Member, can do that. I say to my colleagues, "If you have a committee staff consultant, it has to be approved by the House Administration Committee." Thirty-two consultants, $27,000; transfer from unusual accounts, $100,000; video, travel, all these expenditures here, and I say to my colleagues, "You can't do it if you're a Member; you can't do it if you're a committee staffer or a committee." All I am suggesting is we take the taxpayers' funds out and members or the related institutes can certainly fund this.

I used to be a member of the arts caucus. It is not hogwash. As a matter of fact, I was the one that talked the executive director into having Larry Gatlin in terms of a performance. I figured country western was art, just like other artistic events. Now I got off the caucus, but, while we are at it, we have $250 for a Tiffany's gift. What is that? We have $2,717 for food and beverage. I say to my colleagues, "You can't do that as a Member," and with the Art Institute, the Arts Caucus Institute which does fine work, and I am for it in regards to that particular kind of effort, let them fund it, or individual Members can fund it.

I am a member of a 176-member rural health care coalition. We do not spend any LSO funds. Ninety-two congressional organizations exists. They do not use taxpayer money. They sure will if we don't reform this. Forty of them are standing in the wings.

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

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, I rise as vice chair of the Congressional Black Caucus in opposition to the amendment offered by the gentleman from New York and urge my colleagues to vote overwhelmingly against it.

Legislative service organizations, [LSO's] perform an invaluable service for Members of this body who have common interests and seek to pursue common policy agendas. The Congressional Black Caucus has sought to promote an agenda of equity and fairness for African-Americans across the country. Without the unified voice of the Black Caucus I have to doubt that such an agenda would be much more difficult to promote. The Congressional Black Caucus, for example, was instrumental in the passage of the Civil Rights Act which the President signed, in promoting sanctions against South

Africa, and in leading the fight for disadvantaged business contract set asides. These are not special interests, Mr. Chairman, but policies which go to the very heart of what this country is all about and have a broad base of support.

Save for a few LSO's which serve party interests, the vast majority of these organizations are bipartisan in both membership and in the scope of their interests. They are not political grist mills, but legitimate research organizations which assist in analyzing and promoting legislation of mutual importance to its Members, and to the citizens of our Nation. The funds for LSO's come directly from the Members own clerk/hire account, the fund which, as we all know, pays for staff salaries. Membership is strictly voluntary, so if Members want to join none or all LSO's, they are free to do as they please. Important groups such as the caucus on women's issues—which has been at the forefront of major legislation passed by Congress—the Northeast-Midwest Congressional Coalition, and even the Republican study committee, will all be eliminated if this amendment is adopted.

If we are not going to use official funds for LSO's, Mr. Chairman, then who are we going to turn to. Are we going to solicit funds from Exxon, or from General Motors, or Citicorp to run our LSO's? Aren't these the very same special interests that we have been trying to eliminate from the legislative process? Inviting such private interests so closely into the legislative process will not serve the greater good of the House, but rather the narrow, personal interests of the corporate donors.

Further, Mr. Chairman, if the goal of those who are proposing this amendment is to cut congressional staffs, then I would suggest, quite frankly, that LSO's should be allowed to flourish. Without the valuable services provided by such groups to Members, myself included, we would have to hire even more new staffers in our personal offices to keep track of important legislation. LSO's, in fact, are a perfect example of economies of scale at its best. A small membership fee for Members to several LSO's can take the place of one or even two full-time staff persons in a personal office.

Finally, Mr. Chairman, eliminating funding for LSO's will hurt many groups in society who can't afford their own high-paid lobbyist to argue their cause. The Congressional Black Caucus, the Hispanic Caucus, and the Women's Caucus, to name just a few, all represent groups of Americans who have traditionally been among the most disenfranchised and had little if any say at all in our legislative process. These Americans need a voice to guard their concerns and LSO's serve in that role.

I am certainly aware that all Federal departments, including the Congress, will have to be placed under a microscope this year to look for wasteful spending. But the hard work of Mr. FAZIO and my colleagues on the Appropriations Committee has already produced a very fiscally responsible bill, which is, in fact, $104 million in total outlays under last year's bill.

Mr. Chairman, if it ain't broke, don't fix it, and clearly LSO's have served this body well. This amendment is a spending cut simply for the sake of saying that we cut spending, without really being thought through.

I urge my colleagues to reject this amendment.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. GALLO].

Mr. GALLO. Mr. Chairman, today, we are considering an amendment offered by the gentleman from Kansas [Mr. ROBERTS], that would effectively eliminate all legislative service organizations.

I understand the gentleman's strong concerns and share his view that we need to require greater accountability in the way these organizations are funded.

I also understand that the gentleman was not given the option to propose reforms, and chose this avenue to make a point that needs to be made.

As cochair of the Northeast-Midwest Coalition, I must oppose this amendment, but I want to add my voice to those who support greater accountability in the way these organizations are funded.

I can only speak from my experience with the coalition and tell you that it performs a valuable function.

Membership in the coalition is voluntarily, and it must earn the respect of its members to be successful.

Our coalition has produced sound legislative initiatives in many areas including trade, the environment and energy, in response to our region's particular needs.

The coalition also provides a bipartisan analysis from a regional perspective.

Based on my experience with the coalition, I believe we must set high standards in order to have credibility, not only with our members, but with the public we serve.

Our coalition is audited annually by the GAO and submits quarterly statements to the Clerk of the House.

I would urge my colleagues who chair each of these legislative service organizations to request an annual GAO audit and to support meaningful reforms with an emphasis on accountability.

I reluctantly oppose the amendment offered by the gentleman from Kansas today but I strongly support his efforts to set a higher standard for the operations of these organizations.

Mr. CHAIRMAN. We must require credibility not only for our Members, but for the American people, who deserve to know that this money is being wisely spent.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. ORTIZ].

Mr. ORTIZ. Mr. Chairman, as chairman of the congressional Hispanic caucus, I must rise in strong opposition to the Walsh-Roberts amendment to abolish legislative service organizations [LSO's].

This amendment would make it more difficult for Hispanic and other minority communities to have its voice heard in Congress.

Nearly 1 in 11 Americans is Hispanic.

And yet, only 1 in 40 voting Members of the House is Hispanic.

There are no Hispanic Senators.

Thus, there are precious few Members of Congress who have first hand knowledge of the experiences and concerns of the Nation's 24 million Hispanics.

We have worked to overcome the challenges of being few in number.

But to be successful, we must have a forum and the staff to support our efforts.

The congressional Hispanic caucus serves that purpose.

Through the caucus, we are able to pool our resources to research and follow issues of importance—not only to our districts—but of importance to all Hispanics.

I urge my colleagues to oppose the Walsh amendment.

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Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Chairman, I urge my colleagues to oppose the Walsh-Roberts amendment. The effect of this amendment would be to eliminate all legislative services organizations [LSO's]—organizations such as the arms control and foreign policy caucus, the congressional caucus for women's issues, the environmental and energy study conference, the Democratic study group and the Republican study committee.

The argument has been made that this amendment would save money. In fact, it would have no effect because it would simply prohibit Members from using their office resources for LSO's; it would not reduce Members' accounts in any way.

LSO's actually save the taxpayers money by allowing Members to pool their resources, rather than hiring separate staff to provide this research. LSO's must file quarterly reports and operate only through the voluntary support of Members. If they fail to produce, Members will not join them.

LSO's provide a number of opportunities that would not otherwise be available to Members. Organizations such as the congressional caucus for women's

issues, and the Black and Hispanic Caucuses represent individuals who have been underrepresented in Congress and in policymaking decisions. Other LSO's such as the arms control and foreign policy caucus and the environmental and energy study conference take a comprehensive approach to these policy areas that are divided among many subcommittees. They also provide Members with an opportunity to become more deeply involved in issues that are not within the jurisdiction of the committees on which they serve.

LSO's also play an important role in providing independent analyses of upcoming votes. They are critical in providing information on votes at times when committee members and staff are overwhelmed with requests and are unable to quickly respond to questions about an imminent vote. This is particularly important to Republican Members; because most LSO's are bipartisan, their staffs are often more accessible to minority Members and help to overcome the deficit of Republican committee staff.

Almost 90 percent of House Members belong to one or more LSO's. These organizations have made substantial contributions to this House and have made us better legislators. I strongly urge my colleagues to oppose the Walsh-Roberts amendment.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. THOMAS].

Mr. THOMAS of Georgia. Mr. Chairman, as most Members, I belong to several caucuses that provide our offices with important and timely information on issues that help our constituents. For this reason, I oppose this amendment.

It is not going to save us any money. In fact, it is probably going to be expensive in the long run, as Members will have to draw upon other resources for both gathering and disseminating information. Furthermore, it denies Members the right to utilize their own resources in a manner they deem to be priorities.

My staff, which is already limited due to mandates on size, cannot replace the information resources provided by legislative support organizations.

For example, I belong to the congressional Sun Belt caucus, which is a bipartisan coalition of Members from the South and Southwest. This caucus serves to inform and educate Members and staff on the regional impacts of legislation and administration regulations. No other organization would be able to give me this perspective without the partisan biases or special interest concerns which often come from groups outside of the Congress.

We must remember that LSO's are congressional offices providing support to Members in their official duties.

Mr. Chairman, I urge my colleagues to vote against this amendment and look for real solutions to reducing the cost of operating this institution.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in opposition to the amendment. We are a better House, a better legislative body, because of the LSO's. I know that I am a better Member of Congress because of these organizations.

I have had the opportunity through the organizations that they are trying to do away with through this amendment to meet with Nobel Prize winners, great authors, musicians, and scientists, that I could not possibly have had the opportunity to talk to, to learn from.

What we do here so often is to go to our districts, come back, go to committees, go to our districts, and come back. We should take every opportunity to enlarge ourselves. These LSO's, for no cost, we are using our own money, we are sacrificing the money from our offices to have them. They are worth double, treble, quadruple what we put into them.

Mr. Chairman, defeat this amendment.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Chairman, sometimes it is contended that a given approach is penny wise and pound foolish. Here there is no pretense at being penny wise, it is simply pound foolish.

The amendment before us does not raise an issue of how much money is spent, but how money is used. LSO's are all about professionalizing Congress. To get rid of them is all about deprofessionalizing this body.

By way of example, I would like to comment briefly upon four LSO's that have provided extraordinary service to this body: the arts caucus, with their wonderful updates for Members; the Environmental Energy Study Conference, with timely, well-written, nonpartisan, two-sided briefs; the Northeast-Midwest Coalition, that has worked so hard on regional issues and the Canadian free trade proposal; and, finally, the bipartisan, bicameral arms control and foreign policy caucus, that has brought Members such educative speakers as Ambassador Dobrynin, Willy Brandt, Carlos Fuentes, Marrock Goulding, Jean-Bertrand Aristide, and IAEA Director Hans Blix.

Mr. Chairman, let me just conclude by noting that Sam Rayburn was famous for receiving letters from constituents and responding succinctly, "Dear so and so, you may well be right." What the caucuses are all about is giving Members a chance to provide substantive perspectives to constituents. This is not just about how time is spent in Congress; it is how we respond to the people we are elected to represent.

Finally, at the risk of overstating, let me suggest that the public has properly concluded that this body is too caught up with partisan wrangling. The caucuses are a way to bring us together in a nonpartisan, professional way. It would be a thoughtless mistake to get rid of these institutions.

The gentleman from Kansas [Mr. ROBERTS] is undoubtedly correct that there has been an abuse or two in LSO's, but by and large my experience is that some of the most dedicated and committed people in the legislative branch serve the Congress and public at large through legislative service organizations. Their service should be honored, not capriciously challenged.

The CHAIRMAN. The gentleman from Kansas [Mr. ROBERTS] has 9 minutes remaining, and the gentleman from California [Mr. FAZIO] has 7 minutes remaining.

Mr. ROBERTS. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, I thank my colleague for yielding.

Mr. Chairman, I really asked for this minute only to say that the gentleman has presented this amendment by way of really stimulating this debate, which is a needed and overdue debate. I do not believe this is intentioned to wipe out all of the LSO's, but rather to get the House to focus upon where we are going with LSO's.

Mr. Chairman, even though we may be attached to our individual LSO, I can point to an example like the tourism caucus myself. But we do need to get a handle on the rapid expansion of these LSO's. There are 92 outside of those funded by House funds. We really need to take a look at what the implications are of that expansion.

I would urge my chairman, for example, to perhaps join me in asking GAO to evaluate this policy direction, and indeed to perhaps perform a regular kind of audit of the public moneys that are involved here, for indeed we do not know how these moneys are being effectively used.

If we control it directly, if it is in our office, why should we not at least know what is happening outside of our office. That sort of review is justified, I think it is important, and what the gentleman from Kansas [Mr. ROBERTS] is about here.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the amendment. I want to concur with what the previous speaker said about

accountability. However, I do think it is unfair to suggest that the LSO's are not accountable, because they are accountable. If the gentleman knows of any kind of problem, then the gentleman should recommend some changes in the committee process.

Mr. Chairman, I want to say one thing about underrepresented groups, like the women in Congress. There are 31 women out of 535 people. Most of us have banded together in a group which was founded about 16 years ago when I was a freshman Member called the women's issues caucus.

I think we have, in the area of health, for example, saved a lot of lives because we have banded together in a bipartisan way and insisted that we have areas such as mammography coverage and so on. We could not have done that if we had not convened together.

Mr. Chairman, I think this amendment should be defeated.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. PORTER], a member of our subcommittee.

Mr. PORTER. Mr. Chairman, I rise in opposition to this amendment. I understand the frustration of the gentlemen which has led him to offer it. Apparently, three studies of legislative service organizations have been conducted, those studies have recommended a number of changes, and the recommendations have not been acted on by the authorizing committee.

But this is a killer amendment, Mr. Chairman, ending all LSO activity in the House.

Mr. Chairman, I speak as cochairman of an LSO of which I am very proud, the congressional human rights caucus. The human rights caucus, 200 Members strong, has saved thousands of lives, stopped and prevented torture, insisted on fair trials, fought against oppression, and supported the rule of law everywhere in the world.

□ 1910

A killer amendment is no way to achieve the objectives of the gentleman. I would hope the Members would defeat this amendment, would take to heart the concerns expressed by the authors of the amendment and give them the respect and the attention that they deserve.

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

I would like to associate myself with the remarks of the gentlewoman from Ohio. That may seem a little strange because of where I am coming from on this amendment, but she mentioned the women's caucus. If all caucuses would be run as well as the women's caucus, we would not have near the problems that we have.

Their account is only $131,000; $75,000 of that is for staff. And it simply makes my point. They have $27,000 in terms of a surplus. We cannot do that as Members or a committee staff. But for $75,000, with as much interest as we have in the women's issues and the fine work that they do, these people could be simply taken over by an individual Member. In the rural health care coalition, I designate one of my staff members to be paid by me, not by shifting some Member's clerk-hire or allowance to some kind of a caucus. And so I want to congratulate the gentlewoman from Ohio in regards to the women's caucus.

But, I would remind her that she and I and Mr. Bates signed a recommendation going to the chairman of the Committee on House Administration back in 1988, the second task force we served on. And we recommend 8 reforms in regards to LSO's where we do have problems. I quote from the report:

> File a monthly activity and expenditure report, a single, standard amount for dues, dues paid from the clerk-hire allowance and the official expenses allowance of Members should be the sole source of LSO funding.

Then we would not have the commingling with all the foundations. There were five more recommendations.

Someone mentioned the Sun Belt caucus. They raised $75,000 from individual corporations. That is the kind of commingling that we should not do.

I am not opposed to the women's caucus. They do fine work. They are an example. But these recommendations were not acted on. Four task forces were not acted on. They disappear into a black hole after it goes to the chairman of the Committee on House Administration, and then to the leadership.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, why did the gentleman not offer that as an amendment, those eight recommendations we made?

Mr. ROBERTS. Mr. Chairman, reclaiming my time, I think the gentlewoman's suggestion was very pertinent. We tried that and were going to say no funds could be expended until these recommendations made by the task force were actually put into effect. They told us we would be legislating on an appropriations bill, and then what do we do with the 92 other congressional organizations that want to become LSO's? That is the problem.

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

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Chairman, I thank the gentleman for yielding time to me, just to say a couple of words with respect to a coalition that I have been privileged to chair for a number of years with the gentleman from New Jersey Congressman DEAN GALLO, presently and earlier with the gentleman from New York Congressman FRANK HORTON, the Northeast-Midwest Coalition.

This amendment is an incredibly destructive amendment that is being offered before us. The Northeast-Midwest Congressional Coalition, speaking just of that particular service organization, is audited annually by the GAO.

The coalition only survives if it performs to the satisfaction of its members. Membership is fully voluntary. The only source of funding is the members' clerk-hire and official expense accounts.

There are few institutions that have the capability of transcending the partisan divisions within this Congress. The Northeast-Midwest Congressional Coalition is one of those institutions, enabling us to work together across partisan lines in the solution of regional problems.

To have an amendment that would essentially eliminate all LSO's would do a great disservice to this institution.

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

Mr. Chairman, we are not trying to eliminate LSO's.

We are trying to prevent yet another House scandal.

The intent and purpose of LSO's are good in theory but in practice, they are an accident waiting to happen and be reported.

Now, for all of my colleagues who are standing forth in the well and saying that the LSO's do an outstanding job, I agree with them in part, in theory.

But in practice of some, it is simply not the thing that we should be doing. LSO's can hire and do hire the relatives of Members. We cannot. LSO's can spend official taxpayer funds on dinners, receptions, travel, gifts, petty cash, consultants. We cannot.

LSO's share staff with private associations and institutes. We cannot. LSO's have and continue to overcharge Members' official expense allowance and clerk-hire. These yearly overcharges and surpluses, a half a million dollars for one, have gone unaccounted for in several years. Where have these funds gone? Nobody knows.

Members must submit timely vouchers for every expense before being reimbursed. All of us do that. LSO's spend the money first, then they submit a quarterly report.

Gridlock in a Congress spinning its wheels with 30 LSO's, 122 congressional Member organizations, 300 committees. It is no wonder that the committee structure does not work.

Most Members complain about office space and limited funds.

We spend $4.26 million on LSO's. If we are not going to save that money Members can spend that money for approved expenses. But, Members can do this without the clerk-hire and without the office accounts.

Four, four House administration task forces have reviewed the problems associated with LSO's over the last 10 years. Every task force reported and recommended reforms for accountability and oversight. None of the recommendations have been implemented.

Finally, we are not outlawing LSO's, as I have said. Ninety-two congressional Member organizations exist today in the House, without using taxpayer funds and commingling with special interests, institutes, associations, and foundations.

In 1970, there were four congressional Member organizations and a proud and disciplined structure of committees. We got something done. Today there are 122.

The time has come to reverse the course, end the abuse, and prevent the next congressional headache.

The press is aware of all of the abuses. They will be published. The time has come to end this abuse. Vote for Roberts-Walsh.

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

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

Mr. Chairman, I believe that the gentleman from New York and the gentleman from Kansas have brought an important issue before the body. I think it has been fully debated with a great deal of flourish and compassion, particularly from the gentleman from Kansas.

I do believe that by his own drafting of this amendment, he signals that he is more interested in making a point than making law. I do believe that some good will come of it. I am sure some additional attention will be paid.

If there are abuses, they may well be rooted out. But I think it is pretty clear that this amendment is Draconian, and it would eliminate in fact all of the LSO's, regardless of whether or not there have been abuses attendant to any of their activities.

So at this point, Mr. Chairman, I would simply urge opposition to the amendment.

Mr. TOWNS. Mr. Chairman, I rise in opposition to this amendment with a sense of great disappointment and disillusionment in those who would seek to discredit and misrepresent the actions of their colleagues to bring diversified representation to the Congress of the United States.

Mr. Chairman, we stand in this well, a mere 8 weeks in the afterburn of Los Angeles—to tell little black children who search for role models at every moment of their lives that this Congress does not want them to have a Congressional Black Caucus to raise their horizons to new heights. My colleagues across the aisle would have us say to every one of the more than 7,000 black elected officials who have organized at the national level into caucuses fashioned after the Congressional Black Caucus—we now believe the CBC is unnecessary. To every major African and Caribbean head of state—each of which has sought the audience, advocacy, and support of the Congressional Black Caucus—by this action—you say we, the black Members of Congress, are irrelevant to the legislative process.

I am saddened that the proponents of this measure would argue that there is duplicity in the existence of LSO's—for I do not know of any other entity that authors a Congressional Black Caucus alternative budget to place before this body—a courageous new vision of the responsibility of governance and fiscal compassion.

Mr. Chairman, my colleagues and I take this attack seriously and personally. It is for us a question of race and rights. We must not allow this travesty to be visited upon our Congress. We cannot allow the destruction of the very entities which are for some the options of last resort for fair representation. This caucus—which was founded more than 20 years ago to represent the needs and dreams of millions who reside not only in our districts, but in every corner of this Nation—has been called on to be a conscience in this body.

In the entire history of this nation, only 72 African-Americans have been elected to the Senate and the House of Representatives. And now in the memory of Hiram Revels, Adam Clayton Powell, Barbara Jordan, Mickey Leland, and Shirley Chisholm—I ask that you vote no.

I will not today, nor will my colleagues, allow the desecration of their legacy—the abridgement of our right to convene as a body on behalf of those we serve. There is a Congressional Black Caucus because there is a need for our presence—now more than ever. This amendment is an affront to every minority and female Member of the Congress and it must be defeated.

Mr. GREEN of New York. Mr. Chairman, as a former two-term chairman of the Environmental and Energy Study Conference, and a member of its executive committee since 1983, I rise in strong opposition to the Walsh-Roberts amendments.

I am very proud of the services the Study Conference provides. The 300 of us in the House who are Study Conference members and the 90 Senators who subscribe have views spanning the spectrum on environmental, energy, and natural resources issues. Yet all of us rely on the Study Conference's objective analysis of the issues before us. The Conference does not take positions on issues.

The Study Conference has played a vital role in congressional debate since its founding 17 years ago. The Conference is likely to be even more important to us in the years to come.

Since we began addressing environmental problems in the 1970's, we have made significant progress in cleaning up pollution. Yet, as our technological capabilities and our knowledge have increased, we have discovered that the problems we face are ever more complex. New concerns have emerged that are global in scope.

These challenges will require increased understanding and all the ingenuity we can muster.

As we face these complexities, the Study Conference, which has served as our primary vehicle for discussion and dissemination of information on these issues, will be invaluable.

I also take pride in the Study Conference's record of fiscal accountability. Each year, the Conference's officers request and receive an audit of the Study Conference's books from the General Accounting Office.

We all agree that the taxpayer's money must be spent in the most cost-effective way. That is exactly what the Study Conference helps us do. Rather than each of us individually developing the information we need on these issues, the Conference's small staff serves nearly 400 offices.

This is an economy of scale any management expert would applaud, certainly not something we mistakenly should be moving to eliminate.

Based on this excellent example of the importance of legislative service organizations to Congress, I urge my colleagues to vote in opposition to the Walsh-Roberts amendment.

Mr. FAZIO. Mr. Chairman, caucuses were formed to fulfill needs Members felt were not otherwise being met. Overall, LSO's have not only acted responsibly, they have strengthened the House and enabled Members to more effectively carry out their official duties.

The allegation that these groups are somehow undermining or impeding the legislative process by fragmenting decision making or conflicting what the committee system is without foundation. No evidence has been produced to substantiate these charges.

The truth, of course, is just the opposite. Rather than being a detriment, the legislative groups provide essential research and legislative services to Members in a more cost-effective manner than Member of committee offices can support. Caucuses are operated efficiently—otherwise the marketplace for their information services would not continue to exist. And if a Member is unhappy with a LSO work product or budget, he or she can simply withdraw their membership.

I understand that an administration subcommittee staff investigation, at this preliminary stage, indicates that caucuses are extremely conscientious about following rules and regulations which currently exist and that the perceived problems that have come to light are clearly the result of the lack of more comprehensive guidelines and standards.

For example, it appears that the LSO quarterly report has no uniform reporting standards—some LSO's report gross payroll, others net payroll. Some utilize a cash basis of accounting, others use an accrual basis. Disbursement categories are subjectively recorded. I am informed, however, that all expenditures are well documented by LSO's.

In reference to caucuses and their relationship to a 501(c)(3) organization, we are told that only 3 LSO's, out of 31, share employees with an outside organization. I have heard of no violations of the Ethics in Government Act. All the shared employees reportedly maintain documented schedules and timesheets—and no other tangible resources are shared.

Based upon this current review, I understand there will be recommendations that would place LSO's under the Clerk of the House for their financial activities, draft new regulations clearly stating approved expenditure activities, and require that LSO executive director file annual financial disclosure statements.

One should not turn too easily to the abolishment of LSO's as a panacea to real or perceived problems. Eliminating LSO's would increase the costs Members will incur to receive information and research associated with their legislative and representational duties and effectively preclude the association of Members along regional, ideological, State delegation, or other interest prevalent since the early days of the Republic.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. ROBERTS].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ROBERTS. Mr. Chairman, on that it would seem to me that the House has indicated its will. Therefore, I will not ask for a recorded vote.

Mr. CLAY. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Does the gentleman insist on his point of order?

Mr. CLAY. Mr. Chairman, I withdraw my point of order, and I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

□ 1920

The CHAIRMAN. It is now in order to consider amendment No. 10, printed in House Report 102-609.

AMENDMENT OFFERED BY MR. ALLEN

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ALLEN: At the appropriate place in the bill, insert the following new section:

SEC. . (a) Effective beginning on the date of the enactment of this Act, no vacancy in any elevator operator position for automatic elevators in the House of Representatives wing of the Capitol or the House of Representatives office buildings may be filled.

(b) Effective at the end of the first pay period ending more than 2 years after the date of the enactment of this Act, all elevator operator positions for automatic elevators in the House of Representatives wing of the Capitol and the House of Representatives office buildings are abolished.

Mr. FAZIO. Mr. Chairman, I reserve a point of order on the amendment offered by the gentleman from Virginia [Mr. ALLEN].

The CHAIRMAN. The gentleman from California [Mr. FAZIO] reserves a point of order on the amendment.

Under the rule, the gentleman from Virginia [Mr. ALLEN] will be recognized for 10 minutes in support of his amendment, and a member opposed will be recognized for 10 minutes in opposition to the amendment.

The Chair recognizes the gentleman from Virginia [Mr. ALLEN].

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

As Congress debates congressional perks that allow Members privileges that normal people do not enjoy, we must show some leadership. In the name of fiscal responsibility, I have brought to the floor an amendment which would, over a period of 2 years, eliminate elevator operator positions in automatic elevators.

Currently, the House employs 11 elevator operator positions at the annual cost of $154,000 according to figures from the Clerk of the House. I am not the first Member to recognize this unnecessary, wasteful spending. I do want to make clear that many of the people who run the automatic elevators are friendly, courteous, and helpful employees. However, when trying to cut spending, such positions are not essential.

The American people are fed up with a Congress which constantly demonstrates its lack of accountability. It is ludicrous to pay operators to run automatic elevators. As a Member of this body, I know Members of Congress are capable of pushing the buttons for themselves.

In fact, the body on the other side of the Capitol, the Senate, has survived without elevator operators for almost a decade.

Every year thousands of Americans come to visit their Representatives in their Nation's Capitol. What is one of the first things they see? Elevator operators. Frivolous spending habits don't sit well in the Seventh District of Virginia, and I expect most constituencies would find this perk and privilege ridiculous.

Many Members will use the excuse of time restraints during votes. I would ask those Members to remember that there are elevators set aside exclusively for Members to ensure that votes are not missed, and I would point out that you do not get from floor to floor any quicker with someone else pushing the buttons for you. And we are allowed at least 15 minutes to get to a vote.

My amendment would not cause the immediate dismissal of the elevator operators. These are people who need jobs like many other Americans today. Rather, I suggest they find necessary, productive positions within Congress on the private sector.

My amendment would state that over the next 2 years, no vacancy in any elevator operator position for automatic elevators may be filled. We will eliminate the positions through attrition. However, effective at the end of the first pay period ending more than 2 years after the date of enactment of this act, all elevator operator positions for automatic elevators would be abolished.

I ask that you join me and cast a vote for fiscal responsibility, and against more wasteful and unnecessary spending habits.

And, finally, to the possible objectors, I say please be responsible and accountable. If you favor elevator operators to run automatic elevators, have the guts and integrity to go on record for or against. Do not hide from accountability to the people by invoking unfair parliamentary gimmicks to avoid responsibility. Let's be forthright leaders.

Mr. WASHINGTON. Mr. Chairman, will the gentleman yield for a question?

Mr. ALLEN. Yes, I will yield to the gentleman from Texas.

Mr. WASHINGTON. Mr. Chairman, I thank the gentleman from Virginia for yielding to me.

I would ask the gentleman, he is not putting elevator operators down, is he? I worked my way through college operating an elevator in a one-story building.

Mr. ALLEN. As I said to the gentleman, he obviously learned a lot, but probably learned some bad habits as well.

I would say to the gentleman that the elevator operators, many we have are very friendly, courteous, helpful individuals. The question is not whether these are solid folks and whether they can learn something. I do not know what the gentleman would want them to learn from some of this cast of characters. Nevertheless, they are not necessary. The other body does not have them. I think we can get by without those positions.

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

POINT OF ORDER

The CHAIRMAN. Does the gentleman from California [Mr. FAZIO] insist on his point of order?

Mr. FAZIO. Mr. Chairman, I just want to congratulate the gentleman from Virginia on the eloquence with which he presented the annual elevator operator amendment. Alas, I must say it was drafted in such a manner as to make it possible for me to make a point of order against the amendment, because it proposes to change existing law, and constitutes legislation in an appropriations bill, and therefore it violates clause 2 of rule XXI.

The rule states, in pertinent part, that "no amendment to a general appropriations bill shall be in order if changing existing law." This amendment gives affirmative direction and in effect modifies existing powers and duties, and is operative beyond the fiscal year for which the appropriation applies, so despite my congratulations to the author and the fact that I will include some remarks in the RECORD to rebut some of his comments, I must ask that the rule that would emanate from the Chair would be against his being allowed to present the amendment.

The CHAIRMAN. Does the gentleman from Virginia [Mr. ALLEN] wish to be heard on the point of order?

Mr. ALLEN. Yes, Mr. Chairman, I do. I would say that we always are legislating in appropriations bills. This sets a policy of appropriations that I do not think we need to make. I realize I will be taking the stairs more often than the elevators in presenting this amendment, but I would respectfully suggest that the point of order is not well taken.

The CHAIRMAN (Mr. DONNELLY). The Chair is prepared to rule.

The gentleman from California [Mr. FAZIO] makes a point of order that the amendment offered by the gentleman from Virginia [Mr. ALLEN] violates clause 2 of rule XXI by proposing legislation on a general appropriations bill. The amendment is clearly legislating on an appropriation bill, and the point of order is sustained.

PREFERENTIAL MOTION OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. WALKER moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes in support of his motion.

Mr. WALKER. Mr. Chairman, the reason for using the privileged motion is because under the process in which we are operating, we are not allowed to strike the last word and thereby get a little bit of time.

I did want to reflect a little bit on the process that we have moved to since we adopted the rule earlier today. Earlier today when the rule came up we were told this was not a fraudulent process, that in fact Members were going to be given their rights to offer all the amendments. We were told earlier today that this was going to be an open process.

The fact is that what we have seen in the course of today is exactly as we described it. Members were stripped of their rights to offer motions to strike and thereby were not given the ability to reduce spending in the bill.

There were several amendments that would have been in order under a regular, open rule that did not come up today because they were prevented by the rule. Moreover, we were told when the rule was adopted that there would be 11 amendments permitted under the rule, that the majority had been extremely generous in what they had decided to do.

The fact is, of those 11 amendments, most of them have been stricken under points of order, and it is particularly problematic to note that many of those points of order were raised by the chairman of the subcommittee himself.

□ 1930

So, when we described the process today earlier as fraudulent, it has been a truly fraudulent process. Members were denied their right to offer entirely appropriate amendments.

Here is the problem, Mr. Chairman. Tomorrow we are going to get another of these rules. This rule is not just an aberration, it is in fact the beginning of a trend. Tomorrow we are going to have another closed rule on the bill. When it comes to foreign aid spending, we are now going to find out that we cannot offer amendments to reduce foreign aid spending either, that that is going to come out here protected.

My guess is that we may have other bills that will come in under protected status before the year is over, and that by next year these will serve as precedents, and the whole appropriations process will be shut down, as the other debate processes in the House have been shut down.

That would be a tragedy of untold proportions, and we are seeing the trend begin to move in that direction. We are in fact operating under a very bad process here. The process has proven to be exactly as it was feared earlier today.

With that, I yield back the balance of my time.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Pennsylvania [Mr. WALKER].

The preferential motion was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

This Act may be cited as the "Legislative Branch Appropriations Act, 1993".

AMENDMENT OFFERED BY MR. ROBERTS

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ROBERTS: Page 36, after line 5, insert the following new section:

SEC. 312. None of the funds made available by this Act may be used with respect to construction of any additional gymnasium or other physicial fitness facility in the House Office Buildings.

Mr. FAZIO. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The CHAIRMAN. The question is on the motion offered by the gentleman from California [Mr. FAZIO].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. WALKER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Does the gentleman from Pennsylvania insist on his point of order?

Mr. WALKER. I do insist on my point of order, Mr. Chairman.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question.

Mr. WALKER. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. The Chair has already sustained the point of order. The gentleman is too late.

The Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 228]

Abercrombie	Chandler	Ewing
Allard	Chapman	Fascell
Allen	Clay	Fawell
Anderson	Clement	Fazio
Andrews (ME)	Clinger	Feighan
Andrews (NJ)	Coble	Fields
Andrews (TX)	Coleman (MO)	Fish
Annunzio	Coleman (TX)	Flake
Anthony	Collins (IL)	Foglietta
Applegate	Collins (MI)	Ford (MI)
Archer	Combest	Ford (TN)
Armey	Condit	Frank (MA)
Aspin	Conyers	Franks (CT)
Atkins	Cooper	Gallegly
AuCoin	Costello	Gallo
Bacchus	Coughlin	Gaydos
Baker	Cox (CA)	Gejdenson
Ballenger	Cox (IL)	Gekas
Barnard	Coyne	Gephardt
Barrett	Cramer	Geren
Barton	Crane	Gibbons
Bateman	Cunningham	Gilchrest
Beilenson	Dannemeyer	Gillmor
Bennett	Darden	Gilman
Bentley	de la Garza	Gingrich
Bereuter	DeLauro	Glickman
Berman	DeLay	Gonzalez
Bevill	Dellums	Goodling
Bilbray	Derrick	Gordon
Bilirakis	Dickinson	Goss
Blackwell	Dicks	Gradison
Bliley	Dingell	Grandy
Boehlert	Dixon	Green
Boehner	Donnelly	Guarini
Borski	Dooley	Gunderson
Boucher	Doolittle	Hall (OH)
Boxer	Dorgan (ND)	Hall (TX)
Brewster	Dornan (CA)	Hamilton
Brooks	Downey	Hammerschmidt
Broomfield	Dreier	Hancock
Browder	Duncan	Hansen
Brown	Durbin	Harris
Bruce	Dwyer	Hastert
Bryant	Dymally	Hatcher
Bunning	Early	Hayes (IL)
Burton	Eckart	Hayes (LA)
Bustamante	Edwards (CA)	Hefley
Byron	Edwards (OK)	Henry
Callahan	Edwards (TX)	Herger
Camp	Emerson	Hoagland
Campbell (CA)	Engel	Hobson
Campbell (CO)	English	Hochbrueckner
Cardin	Erdreich	Holloway
Carper	Espy	Hopkins
Carr	Evans	Horn

Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Wise
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

□ 1952

The CHAIRMAN. Four hundred fourteen Members have answered to their names, a quorum is present, and the Committee will resume its business.

Mr. FAZIO. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes in order to engage in a colloquy with my friend, the gentleman from Kansas [Mr. ROBERTS].

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FAZIO. Mr. Chairman, I yield to my friend, the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, the preferential motion to rise prevented me from offering an amendment.

Mr. Chairman, the amendment I am offering simply prevents the funds being appropriated in this bill to be used for the construction of a new gymnasium or fitness facility. This amendment simply inoculates the fiscal year 1993 legislative branch appropriations bill from potential reprogramming or spending for this rumored project.

During consideration of the fiscal year 1992 legislative branch appropriations bill, $1 million was provided to finish room B-106 of the Cannon Building. This appropriation followed the reprogramming of $1.1 million of fiscal year 1991 moneys to repair the space beneath the Cannon stairway and begin the finishing of this same space. After carefully reviewing this project and discussing it with various senior staff and Members, it seemed that funds were going to be spent for a rumored new gym facility.

In fiscal year 1991, $25,000 was appropriated to conduct a study on the feasibility of a staff gym. The study was to be conducted by the Architect. The results of this study have never been made public and the questions of feasibility, cost, need, and location all have yet to be answered.

This language simply prevents this project moving forward this next fiscal year to allow full study and consideration of the Architect's findings—if they are ever made available.

As Chairman FAZIO and I discussed in a colloquy last year, before any project to construct a new gym facility should go forward, careful scrutiny, public hearings, and other actions to ensure full public disclosure should occur. This is still to occur.

I urge my colleagues to support my simple amendment.

I would have preferred my amendment to have been considered, but the gentleman's motion to rise, the preferential motion to rise, prevented the amendment.

Would the gentleman from California assure me that this project will not continue until the scrutiny has taken place?

Mr. FAZIO. Mr. Chairman, certainly there is no funding in this bill for any such development of any kind of staff gym, and I concur with the premise of the gentleman that if that decision is to be made, it should be done openly with hearings and the Members should be on record to that extent.

I do want to point out 1.2 million Federal workers are currently eligible to exercise at 653 Federal exercise facilities, most of which were created during the 1980's; but the point is if we are going to do here for our workers what other Federal employees have available to them, it ought to be done on the record. It ought to be done publicly and we all ought to be committed to it, or at least have a chance to register our opposition to it.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield further?

Mr. FAZIO. I am happy to yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for his contribution. It is very similar to the colloquy we had last year.

I think we have sent a strong message to the leadership and the powers that be and the one particular individual who wants this gym.

Mr. FAZIO. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The pending business is the demand of the gentleman from Pennsylvania [Mr. WALKER] for a recorded vote.

Does the gentleman from Pennsylvania insist on his demand?

Mr. WALKER. I am tempted to ask for tellers, Mr. Chairman, but I will not.

Mr. Chairman, I withdraw my demand for a recorded vote.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GEPHARDT) having assumed the chair, Mr. DONNELLY, 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. 5427) making appropriations for the legislative branch for the fiscal year ending September 30, 1993, and for other purposes, pursuant to House Resolution 499, 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 engross.

The amendments were agreed to.

□ 2000

The SPEAKER pro tempore (Mr. GEPHARDT). 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.

MOTION TO RECOMMIT OFFERED BY MR. LIGHTFOOT

Mr. LIGHTFOOT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. LIGHTFOOT. In its present form I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will read.

The Clerk read as follows:

Mr. LIGHTFOOT moves to recommit the bill H.R. 5427 to the Committee on Appropriations with instructions to report back the same forthwith with the following amendments:

On page 2, line 8, strike "$704,409,000" and insert "$699,109,000".

On page 5, line 16, strike "$53,011,000" and insert "$47,711,000".

Mr. LIGHTFOOT (during the reading). Mr. Speaker, I ask unanimous consent the motion be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Iowa [Mr. LIGHTFOOT] is recognized for 5 minutes.

Mr. LIGHTFOOT. I thank the Speaker.

Mr. Speaker, a lot of people today are enamored with the so-called Perot phenomenon. I think basically what we get to is that Mr. Perot has tied into what a great many Americans feel, that the country is more important than politics.

As a result, today we have seen a very disturbing development, with our closed rule that was approved for this appropriation bill. I think it was very unfortunate that the Committee on Rules refused to allow an amendment requested by my colleague from Michigan, Mr. UPTON, the gentleman from Kansas [Mr. ROBERTS], to reduce the official House office mail allowance. Nor were any similar amendments permitted under the rule.

The closed rule on the spending bill is a direct slap in the face of the American taxpayers. It effectively puts a muzzle on us.

I think with this motion to recommit we have the opportunity to demonstrate that we can put the country ahead of politics and both sides can get together and agree on something.

Mr. Speaker, my motion to recommit contains instructions to report the bill back to the House with an amendment to reduce the House franking privileges by approximately 10 percent, roughly $5.3 million. It is a workable and realistic cut which I believe many of my colleagues will support.

Why similar amendments could not be permitted during today's debate is puzzling. But in today's fiscal climate, I think Congress must demonstrate a commitment to reform and to look at more budget austerity. If we are not willing to make sacrifices in order to set an example for fiscal accountability, how can we expect the American people to support reductions in other areas of the Federal budget?

Roughly 2 weeks ago the House of Representatives failed to approve a balanced budget amendment to the Constitution. How many more times will we demonstrate to the American people we cannot be fiscally responsible?

If we fail to pass this modest cut, we demonstrate clearly why we need a balanced budget amendment. We must demonstrate we are willing to make difficult choices and we must demonstrate we are willing to stop protecting the perks which we are accused of having. We must demonstrate to the people that we are opening up the functioning of the House to the light of day.

As my colleagues testified before the Committee on Rules the 1991 fiscal year, the House spent $31 million on mail. The $41.7 million figure I am proposing is still a healthy increase over fiscal year 1991. The recission package approved recently included a rescission of $20 million in franking expenses and it demonstrates that a growing number of Members have the willingness to cut our mailing allowances.

Mr. Speaker, I urge my colleagues to support the motion to recommit.

The SPEAKER pro tempore. The gentleman from California [Mr. FAZIO] is recognized for 5 minutes.

Mr. FAZIO. I thank the Speaker.

Mr. Speaker, I had intended, of course, to strenuously object to this provision being offered by the gentleman from Iowa. But the gentleman from California has so effectively worked the floor on this matter that I think my chances of prevailing are very limited.

Given the fact that we have had a long day here, with increasingly good feeling despite the difficulty we had over the rule, I think it would be appropriate if I at this point indicate to my colleagues that I will not object to the motion to recommit and would ask that it could be promptly passed so we could finish the bill.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

RECORDED VOTE

Mr. LIGHTFOOT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage.

The vote was taken by electronic device, and there were—ayes 376, noes 45, not voting 13, as follows:

[Roll No. 229]

AYES—376

Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Condit
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeLauro
DeLay
Derrick
Dicks
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fawell
Feighan
Fields
Fish
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Goodling
Gordon
Goss
Gradison
Grandy
Green
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olver
Ortiz
Orton
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (VA)
Pease
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland
Russo
Sabo
Sanders
Sangmeister
Santorum

Sarpalius
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Sensenbrenner
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Studds
Stump
Sundquist
Swett
Swift
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Traficant
Upton
Valentine
Vander Jagt
Vento
Volkmer
Vucanovich
Walker
Walsh
Waxman
Weber
Weldon
Whitten
Williams
Wise
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—45

Abercrombie
Blackwell
Bustamante
Clay
Collins (IL)
Collins (MI)
Conyers
DeFazio
Dellums
Dingell
Dymally
Fascell
Fazio
Flake
Foglietta
Gonzalez
Guarini
Hayes (IL)
Jones (NC)
Lehman (FL)
Levine (CA)
Lewis (GA)
McDermott
Nagle
Olin
Owens (NY)
Payne (NJ)
Perkins
Pickett
Rangel
Roe
Rose
Roybal
Savage
Serrano
Smith (FL)
Stokes
Synar
Towns
Unsoeld
Visclosky
Washington
Waters
Weiss
Wheat

NOT VOTING—13

Ackerman
Alexander
Bonior
Dickinson
Hefner
Hyde
Jones (GA)
McNulty
Schumer
Tallon
Traxler
Wilson
Wolf

□ 2021

Mr. NAGLE changed his vote from "aye" to "no."

So the motion to recommit was agreed to.

The result of the vote was announced as above recorded.

Mr. FAZIO. Mr. Speaker, pursuant to the instructions of the House, I report the bill, H.R. 5427, back to the House with an amendment.

The SPEAKER pro tempore (Mr. GEPHARDT). The Clerk will report the amendment.

The Clerk read as follows:

Amendment: On page 2, line 8, strike "$704,409,000" and insert "$699,109,000".

On page 5, line 16, strike "$53,011,000" and insert $47,711,000".

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

RECORDED VOTE

Mr. WALKER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 279, noes 143, not voting 12, as follows:

[Roll No. 230]

AYES—279

Abercrombie
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Barnard
Bateman
Beilenson
Bennett
Bentley
Berman
Bevill
Bilbray
Blackwell
Boehlert
Borski
Boucher
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Espy
Evans
Ewing
Fascell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Gonzalez
Gordon
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McGrath
McHugh
McMillen (MD)
Mfume
Michel
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moran
Morella
Morrison
Mrazek
Murtha
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickle
Porter
Poshard
Price
Rahall
Rangel
Ray
Reed
Richardson
Rinaldo
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Savage
Sawyer
Scheuer
Schiff
Schroeder
Schulze
Serrano
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Thomas (CA)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Washington
Waters
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolpe
Wyden
Yates
Yatron
Young (AK)

NOES—143

Allard
Allen
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bereuter
Bilirakis
Bliley
Boehner
Boxer
Bunning
Burton
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coleman (MO)
Combest
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Erdreich
Fawell
Fields
Franks (CT)
Gallegly
Gekas
Gilchrest
Gillmor
Gingrich
Glickman
Goodling
Goss
Gradison
Grandy
Gunderson
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Hunter
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lewis (FL)
Lightfoot
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McEwen
McMillan (NC)
Meyers
Miller (OH)
Miller (WA)
Moorhead
Murphy
Myers
Nagle
Nichols
Nussle
Oxley
Packard
Pallone
Paxon
Petri
Pickett
Pursell
Quillen
Ramstad
Ravenel
Regula
Rhodes
Ridge
Riggs
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Sarpalius
Saxton
Schaefer
Sensenbrenner
Sharp
Shaw
Shays
Slattery
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (WY)
Upton
Vander Jagt
Walker
Walsh
Weber
Weldon
Wolf
Wylie
Young (FL)
Zeliff
Zimmer

NOT VOTING—12

Ackerman
Alexander
Bonior
Hefner
Hyde
Jones (GA)
McDade
McNulty
Schumer
Tallon
Traxler
Wilson

□ 2033

Mr. SLATTERY changed his vote from "aye" to "no."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REQUEST TO AUTHORIZE THE CLERK TO MAKE CONFORMING CORRECTIONS IN ENGROSSMENT OF H.R. 5427, LEGISLATIVE BRANCH APPROPRIATIONS, 1993

Mr. FAZIO. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill (H.R. 5427), the Clerk be directed to conform the line references in the amendment printed in section 2 of House Resolution 499 to the calendar print of the bill.

The Clerk would correct the references to line numbers in the instructions of the amendment as follows: First, strike out "line 17" and insert in

lieu thereof "line 5"; second, strike out "line 20" and insert in lieu thereof "line 8"; and third, strike out "line 3" and insert in lieu thereof "line 16".

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

Mr. WALKER. Mr. Speaker, reserving the right to object, is this the problem that was created by the rule, which some of us regard as fraudulent, that brought the bill to the floor?

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

Mr. WALKER. I yield to the gentleman from California.

Mr. FAZIO. Mr. Speaker, this was a problem created in the rule by a technical error made by the authorizing committee when it submitted language to the committee.

Mr. WALKER. Mr. Speaker, that is the gentleman's interpretation. I have mine.

Mr. FAZIO. Mr. Speaker, if the gentleman would continue to yield, I do understand the gentleman's interpretation would always be at odds with mine.

Mr. WALKER. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

REPORT ON RESOLUTION, HOUSE RESOLUTION 500, WAIVING A REQUIREMENT AGAINST CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-613) on the resolution (H. Res. 500) waiving the requirement of clause 4(b) of rule XI, against consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5368, FOREIGN OPERATIONS APPROPRIATIONS ACT, 1993

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-614) on the resolution (H. Res. 501) providing for the consideration of the bill (H.R. 5368) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the House Calendar and ordered to be printed.

CREDIT AVAILABILITY AND REGULATORY RELIEF ACT OF 1992—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, referred to the Committee on Banking, Finance and Urban Affairs and the Committee on Energy and Commerce and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit for your immediate consideration and enactment the "Credit Availability and Regulatory Relief Act of 1992." This proposed legislation will enhance the availability of credit in the economy by reducing regulatory burdens on depository institutions. Also transmitted is a section-by-section analysis.

The regulatory burden on the Nation's financial intermediaries has reached a level that imposes unacceptable costs on the economy as a whole. Needless regulations restrict credit, slowing economic growth and job creation. Excessive costs weaken financial institutions, exposing the taxpayer to the risk of loss. Rigid supervisory formulas distort business decisions and discourage banks, thrifts, and credit unions from pursuing their core lending activities. In 1991, the Nation's banks spent an estimated $10.7 billion on regulatory compliance, or over 59 percent of the system's entire annual profit. We cannot allow this unnecessary and oppressive burden to continue weighing down the consumer and business lending that will fuel economic recovery.

The Credit Availability and Regulatory Relief Act of 1992 reduces or eliminates a wide range of these unnecessary financial institution costs. Among the significant changes that would be made by the bill are:

—Elimination of the requirement that banking agencies develop detailed "micromanagement" regulations for every aspect of an institution's managerial and operational conduct, from the compensation of employees to the ratio of market value to book value of an institution's stock;

—Enactment of a statutory requirement that regulations of the various Federal banking agencies be as uniform as possible, to avoid the complexity, inconsistencies, and comparative distortions that result from widely varying regulatory practices;

—Reduction of audit costs, by returning auditors to their traditional function of investigating the accuracy of depository institution financial statements and eliminating the costly and misguided expansion of their role over legal and managerial matters;

—Alleviation of the significant paperwork burden imposed by the Community Reinvestment Act on small, rural depository institutions without exempting such institutions from the substantive requirements to satisfy the credit needs of their entire communities—coupled with creation of incentives for institutions to reach higher levels of compliance by streamlining expansion procedures for institutions with outstanding Community Reinvestment Act ratings; and

—Elimination of the requirement that the Federal Reserve write detailed "bright line" regulations on the amounts of credit that one depository can extend to another, thus retaining the Federal Reserve's existing flexibility to supervise the payments system without unduly inhibiting correspondent banking relationships.

These changes, and the others made by the bill, will result in significant reductions to the administrative costs of depository institutions—costs that are currently passed on to borrowers in the form of restricted credit and higher priced loans.

I would like to emphasize that none of the bill's provisions will compromise in any way the safety and soundness of the financial system. The legislation makes no changes to those elements of the Administration's proposed supervisory reforms that the Congress did adopt last year. All existing capital standards will remain in force and will be neither weakened nor modified by the proposed legislation; the "prompt corrective action" framework mandating swift regulatory responses to developing institutional problems will remain unchanged; and bank regulators will continue to have exceptionally tough enforcement powers.

The legislation I am transmitting to you today is a broad and responsible solution to one of the major problems facing our financial system. The financial industry, the economy, and the public generally will benefit from enactment of this regulatory relief. I therefore urge the Congress to give high priority to the passage of the Administration's reforms.

GEORGE BUSH.

THE WHITE HOUSE, *June 24, 1992.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will announce that he will receive requests for special orders from both sides and then hear 1-minute requests.

FORMER SPEAKER GIFT OR BAGGAGE?

(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, Christmas, 1970, the House of Representatives gave the retiring Speaker of the House an unprecedented retirement gift—an of-

fice, staff and stamps to "conclude his official duties". Mr. Gross of Iowa said it best:

A Speaker of the House is not elected by the voting taxpayers of the Nation. Therefore, the Nation, as such, owes him nothing merely by reason of the fact that he was a Speaker * * * I predict that if this resolution could be submitted to all the taxpayers of the Nation for rejection or approval it would be sunk without a trace.

Now 22 years later we have three former Speakers receiving this gift at a cost to the taxpayers of hundreds of thousands of dollars a year. We tried to give our colleagues a chance to reject or approve these open-ended benefits for former Speakers—but the majority party on the Rules Committee made the decision for them, the wrong decision, by refusing to allow an amendment that would limit those benefits to come to the floor. What a disgrace. The American people should know about this. After all, they are going to pay.

DICTATORIAL RULES IN THE HOUSE

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

Mr. BALLENGER. Mr. Speaker, something needs to be said about the operation of the House today. It smells to high heaven. I am embarrassed to admit that I did not speak against the dictatorial rule this morning, and then the absolutely dishonest handling of what little chances we Republicans had in amending the bill.

My understanding is that we changed 200 years of customs in not having an open rule. How many of the Members can remember Adolf Hitler in his early days where, if anyone had stood up to him, we could have saved millions of lives, but no one stood up. The time to fight for our rights is now.

EGYPT UNFAIR TO AMERICAN BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 5 minutes.

Mrs. BENTLEY. Mr. Speaker, the Great Lakes Dredge and Dock Co., a Chicago-based firm and one of the largest dredging companies in the world, was the apparent low bidder on two of four solicitations on the Suez Canal.

The authority threw the bids out and offered a second, expanded solicitation. Once again, Great Lakes Dredge and Dock Co., was the apparent low bidder. I might note that Great Lakes which also has an office in my district—is the only U.S. company participating in this bidding process.

I learned today that rather than award the contract, the Egyptians have requested Great Lakes to retender a new bid by June 27. Why? Because now the Japanese and Belgiums have had the benefit of learning Great Lakes offer.

Obviously, this is a technique to browbeat competitors and is a sham of the closed bid process.

This treatment of an American company by Egypt is unacceptable and should be unacceptable to every Member of the House. The United States annually sends $2.1 billion in economic and military aid to Egypt, and has forgiven more than $7 billion owed approaching well over $50 billion in total.

When the foreign operations appropriations bill comes before this body for consideration tomorrow, we must remember how Egypt has repeatedly attempted to prevent a United States company from doing business there.

MARGARET CAMERON AND THE PROCESS OF SELF-GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, I want to talk today about Margaret Cameron and the process of self-government. Margaret Cameron is a fascinating woman that I met last Saturday night in Vinings, GA. She is 82 years old. She was selected in 1988 as "Mrs. Cobb County," described as a "grandmotherly, vivacious woman," and she told me a fascinating story, at 82 years of age.

She had worked at Lockheed, retired in her late sixties, and has been active, president of the Lockheed Recreation Club, serves as chief cook for the American Legion, works for the American Cancer Society, works with the veterans at the Veteran's Administration hospital, works at Open Gate, a home for battered children, and she told me the following.

At 82 years of age, she works 4 hours a day at the Piccadilly Cafeteria, because she wants to stay active. She wants to stay busy. She needs the money a little bit, but she really does it because she loves to be with people, she loves to serve others, she loves to be part of her community.

She told me about the process of working with Meals on Wheels, in her mid to late seventies. Already retired for a decade, she would go out every day, serve food to people in the Meals on Wheels Program. She said:

I had to quit. I found myself going to houses where there were people who were able-bodied, doing nothing, glad for me to drop by and give them the food. We had children and grandchildren who were in the habit of hoping somebody would show up with food.

She said:

I got so depressed at their lack of commitment, their lack of enthusiasm, their lack of involvement, that I simply could not take the depression of trying to cope with people who would not try to help themselves and would not try to get ahead.

It was fascinating. In fact, I promised her I would tell President Bush her story, because she said:

Until we get back to an America where everybody is in the habit of working and everybody is in the habit of serving others and everybody is in the habit of being a citizen, we are never again going to be healthy as a country.

I promised her I would tell the President her story, and I did, on Monday.

□ 2050

I could not help but think all day yesterday and all day today about Margaret Cameron and her vision, a fair, honest, decent, kind, works hard, is frugal by nature, believes it ought to live within its means, goes to its local civic organizations and expects honesty and accountability, believes things ought to be aboveboard, and the kind of total, utter baloney that has gone on in this room for the last 2 days. And I thought it is no wonder that the Margaret Camerons are looking at Ross Perot, looking at anything to break up this city because, frankly, what happened in this room, the U.S. House of Representatives in the last 2 days is so appalling, so frustrating, so perverting to the process of a free society that it is no wonder the American people are sick of it and want change.

The proposition was simple. The U.S. Congress has an obligation to pay for itself. It is a big institution, House and Senate, Library of Congress, Congressional Budget Office, Congressional Research Service, General Accounting Office, lots of pieces. And so it has to pay for itself. It has grown enormously over the last 30 years, gotten dramatically more expensive, and so it has to pay for itself.

Now 2 weeks ago the Democratic leadership said they were opposed to a constitutional amendment to require a balanced budget because we needed courage now, we needed discipline now, we needed to cut spending now. And so they did not want to pass a constitutional amendment to require a balanced budget in the future, because they were going to do something now.

So what happened this week? Their pork barrel, their perquisites, their personnel, their spending came to the floor. With an opportunity to have discipline now? Oh, no. With an opportunity to cut now? Oh, no.

Instead, what they set up was a game to cheat the Margaret Camerons of representation, a game to make sure that the taxpayers would never see the tough amendments, that they would never have the up or down votes in cutting spending, that we would never really scrutinize how the House does business. And frankly, it is very, very disturbing.

My good friend, BOB WALKER of Pennsylvania, began yesterday trying to

make the point, citing from a very important manual, Jefferson's Manual, which was prepared by Thomas Jefferson for his own guidance as President of the Senate when he was Vice President from 1797 to 1801.

In 1937, the House by a rule which still exists provided that the provisions of the manual should govern the House in all cases to which they are applicable. The manual is very important because the key to civilization, the difference between talking about shooting cops and living in a civilized society where the police protect, the difference between working hard to improve our life and looting your neighborhood, the difference between voting in a free election and being dominated by a mob or a secret police is the rule of law. The rule of law matters. The concept of rules matter. It matters particularly if you are the minority, whether you are a racial minority, whether you are cultural minority, whether you are an ethnic minority, whether you are a religious minority, or whether you are a political minority. The rules are all that stand between you and tyranny.

This is how Jefferson began the manual, quoting from page 117 actually because the Constitution precedes the beginning of Jefferson's Manual. He says:

SEC. I.—IMPORTANCE OF ADHERING TO RULES.

Mr. Onslow, the ablest among the Speaker of the House of Commons, used to say "It was a maxim he had often heard when he was a young man, from old and experienced Members, that nothing tended more to throw power into the hands of administration, and those who acted with the majority of the House of Commons, than a neglect of, or departure from, the rules of proceeding; that these forms, as instituted by our ancestors, operated as a check and control on the actions of the majority, and that they were, in many instances, a shelter and protection to the minority, against the attempts of power."

Jefferson goes on to say:

So far the maxim is certainly true, and is founded in good sense, that as it is always in the power of the majority, by their numbers, to stop any improper measures proposed on the part of their opponents, the only weapons by which the minority can defend themselves against similar attempts from those in power are the forms and rules of proceeding which have been adopted as they were found necessary, from time to time, and are become the law of the House, by a strict adherence to which the weaker party can only be protected from those irregularities and abuses which these forms were intended to check, and which the wantonness of power is but too often apt to suggest to large and successful majorities.

And whether these forms be in all cases the most rational or not is really not of so great importance. It is much more material that there should be a rule to go by than what that rule is; that there may be a uniformity of proceeding in business not subject to the caprice of the Speaker or captiousness of the members. It is very material that order, decency, and regularity be preserved in a dignified public body.

What is Jefferson saying? Look at the words he uses, "wantonness of power is but too often apt to suggest to large and successful majorities."

The last election to elect a Republican Speaker was 40 years ago. For 38 years the Democrats have run the House. There is not a single Member of the elected leadership of the Democratic Party who has ever served in the minority. They have no understanding of the importance of the rule of law. They have no understanding of the importance of the rules. They have no sense of what it is like to be in a minority.

Furthermore, Jefferson describes the caprice of the Speaker or captiousness of the Members. What is he saying? He is saying that every citizen in America deserves for their Member to have rights on this floor, that representative government requires that every Member have a chance to offer amendments, that every Member have a chance to be heard, that every Member, whether they are representing Margaret Cameron in Vinings, GA, or they are representing someone else in Pennsylvania with Mr. WALKER, or someone else in Washington State with Mr. MILLER, but wherever they are those American citizens deserve to know that their representatives will have a fair and equal chance to effect the will of their constituency.

Let me say that in the last 2 days the tyranny of the majority blocked that fair and equal chance.

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

Mr. GINGRICH. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. Jefferson uses a couple of other words there that I also think are important. Jefferson said in the manual that what you need in a House is order, decency and regularity. That is what we have lost in the last 2 days, and I am afraid it has been building up for some time.

There is no order any longer when in fact the Chair is often used to protect Members who violate the order all of the time. We have often had situations on the House floor here during the 1-minutes when Members have made absolutely outrageous statements about the President of the United States, totally out of order in the House, and the Chair has not protected the business of order. That has become a regular practice. There is little order left that the majority preserves anymore, unless it is something where they are affected, and then all of a sudden order becomes something which is important to them, only to protect themselves.

There is no decency left. We so often find that what we are told one day is withdrawn the next. Literally Members of our leadership have been lied to on what will happen at some point in the future. Decency is long since gone.

And what we now see in actions of the last 2 days is that there is no regularity, that a longstanding tradition of this House is that on appropriation bills you were assured of at least a motion to strike, you were assured, as we came with more and more closed rules that stopped us from acting appropriately on bills during the authorization process, that at the very least when we finally got to appropriations we would have the ability to strike spending out of the bill that was going for things which we regarded as unacceptable. Now the ability to strike spending is being taken away from the Members. Not only was it taken away in the legislative appropriations bill, but tomorrow there will be another rule brought to the floor, and that will take it away from the Members on the foreign aid bill. So what we find is that the House is more and more becoming a place where there is no regularity.

So the rules process is being used against the minority, and on a day-to-day basis. And I would think that this should become very much of a concern to the Members of the majority party.

□ 2100

They are comfortable, so long as they are in the majority, but, good heavens, some of them may find themselves in a minority position at some point. They may find themselves opposed to something that their party is doing, and they will find out the rules have been stripped away from them as well.

This is the road toward despotism. It is the kind of legislative dictatorship we have seen arise in Europe on occasions within this century in very, very disturbing ways. We ought not let it happen here. We ought to, as the House of Representatives, decide to go back to Jefferson's Manual to stop the wantonness of power of large majorities and to bring order, decency, and regularity back to our processes.

I thank the gentleman for yielding.

Mr. GINGRICH. Mr. Speaker, I yield to my colleague, the gentleman from Washington [Mr. MILLER].

Mr. MILLER of Washington. Mr. Speaker, what we have seen the last day, of course, involved the denial of the right to make motions for specific cuts in the appropriations bill for this Congress. As a result, issues relating to Legislative appropriations were not discussed, were not voted on, the taxpayer was frustrated, and my colleague, the gentleman from Pennsylvania [Mr. SANTORUM], is going to talk more about this.

Now, tomorrow, and this is why I come to the floor tonight, we have a foreign operations bill. The same practice is being followed, the same practice.

A rule has come forth that, instead of allowing major amendments to that bill, makes only four in order, two of which are not going to be offered, so in the whole foreign operations bill it appears there will be two amendments, and with all deference to the authors, these are very narrow amendments.

Now, what were the amendments that they would not allow to be voted on? I headed up a task force of House Republicans in the Committee on the Budget trying to come up with some reforms in foreign operations. My colleague, the gentleman from Pennsylvania [Mr. SANTORUM], joined me; others were involved, the gentleman from Ohio [Mr. KASICH], the gentleman from Texas [Mr. DELAY], the gentleman from Pennsylvania [Mr. RIDGE]. We approached this not with the idea of gutting foreign aid, because we all believe there is a purpose for foreign aid in terms of American security, preserving peace, helping trade, preserving human rights. We approached this from the idea of trying to prune and reform foreign aid, because we recognized that in this country not only do you have the traditional isolationist opposition to foreign aid, more and more groups that have supported foreign aid are growing critical, taxpayer groups, environmental groups, poverty relief groups.

We had before the Committee on Rules two very simple amendments. One amendment would have saved over $1 billion by doing away with the increase in the capital contribution to the World Bank and its officiates in this bill. This is the World Bank that has rushed ahead with loans to countries such as China, a dictatorship, a leading beneficiary of World Bank loans, rushed ahead with loans for environmentally destructive projects such as the dam in India that has displaced 90,000 people, rushed ahead with loans to government statist businesses when the world is turning to free enterprise, and this is the World Bank that refuses to give information to this Congress on its specific doings.

Even if our amendment had been adopted, would this have crippled the World Bank operations? Oh, no; no; no; no. The Treasury Department has advised me in a letter that just based on the refloat with the existing capital contributions that they could have increased their loans next year.

Our amendment, though, would have eliminated the increase. We were not even allowed. We were not allowed under the rule to bring this to the floor, a major issue in foreign aid, a message that might well, if this Congress had adopted the amendment, transformed our foreign aid program and sent a message to the World Bank and put the World Bank on the proper course. Not allowed to us.

We had an amendment on the Asian Development Bank to reduce the capital increase there. The Asian Development Bank, you will remember, was set up because the West was capital rich and Asia was capital poor. Now we have a situation, Japan, Taiwan, Singapore; Asia is not capital poor, at least in the Pacific rim. So we proposed eliminating the increase, just the increase. Denied.

Finally, we had an amendment relating to AID, the Agency for International Development, the main agency administering our foreign aid, an agency that has been wracked by scandal, numerous indictments the last year, cursed with over-administration, and one commission after another has found that out, focused on big capital projects rather than helping promote free enterprise or alleviate poverty. And here we had an amendment that said, "Wait a minute, do not increase your administrative budget, do not add more offices. Let us at least freeze the administrative budget of AID." I think we should have cut it 10 percent.

We had an amendment in that regard, too. But I would have been happy if they had even allowed an amendment in the Committee on Rules, a Republican amendment, to freeze AID administration, to the saving of scores of millions of dollars. Denied. We cannot vote on this in the House.

I will tell you something: What we have done, what the Democratic leadership has done, make no mistake about it, in frustrating the desire to reform foreign aid by this rule, they may well be ensuring the defeat of the foreign operations bill, something I think would be unfortunate, because, as I said at the beginning, I believe foreign aid has a proper place in American foreign policy.

But this is what happens when you try to cut off debate. This is what happens when you try to cut off the right for Republicans to make amendments.

It is ironic, because we have had, you mentioned, my distinguished colleague, the gentleman from Georgia, you mentioned the balanced budget amendment that we voted on a couple of weeks ago, and how the majority said, "Oh, we do not need the amendment. We should just go ahead now with deficit reduction, show the courage." Of course, the now comes first on Legislative appropriations; tomorrow on foreign operations. We are not going to have the chance to show the courage.

But there is another constitutional amendment that comes into play. You hear all this discussion about the line-item veto. Remember? Should the President be given the line-item veto? The opponents say, "Oh, no. Do not give the President the line-item veto. This is a legislative function. We should be able to prune and revise and improve legislation."

What is happening? Our ability to affect line items in appropriation bills, which they have denied the President, they are now denying to the Congress.

So I join in this special order. I hope the majority will take another look at this issue, go back to the system that existed previously, allow major substantive amendments on appropriations bills. I certainly hope they do it on the Foreign Operations bill, because this is one Congressman who strongly supports foreign assistance but understands that if it is going to retain the support of the American people, there have to be reforms.

I thank my colleague for yielding.

Mr. GINGRICH. Mr. Speaker, let me comment, if I might for just a moment, about my good friend, the gentleman from Washington State, who is a member of the Committee on Foreign Affairs, has done tremendous work on reforming foreign aid, and understands that we need to modernize our foreign aid program.

Because I want to make very clear to our colleagues and to those who may be watching or may read later, that the principle is very simple. The Democratic majority is going to attempt tomorrow to pass a closed rule to prevent any Member, Democrat or Republican, from offering spending cuts on foreign aid including reforms which would certainly pass, because if they are allowed on the floor of the House, they are so obvious, so clearcut that the outrage, the abuse and the waste is so indefensible that they would pass.

So in order to avoid, on foreign aid, allowing us to make foreign aid more efficient, the Democratic majority is prepared to try to pass a rule which will force us to vote yes or no on inefficiency, waste, abuse, obsolete performances, bad bureaucracies, and dumb programs.

□ 2110

Now, I am going to do everything, I can to make sure that every Republican tomorrow votes against the rule. I am going to challenge every Democrat who has to go home later and say, "Oh, I'm really concerned about spending."

How can you possibly vote to kill every amendment except two that would cut spending, and then go home and with any sense of honesty, any sense of integrity, pretend that you care about cutting spending?

As I was talking about Margaret Cameron who works, 82 years of age, 4 hours a day at the Piccadilly Cafeteria, you know, the money she earns matters. It is not much, but it is real, and to be told that Congressman MILLER of Washington State cannot defend the money of his hard-working workers, that he cannot defend the money paid in taxes in Seattle, that he cannot decide whether or not to offer an amendment to an Asian development bank that made sense 20 years ago and makes no sense today, I think it is an outrage and a legislative tyranny and it is totally wrong.

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

Mr. GINGRICH. I am glad to yield to my friend, the gentleman from Pennsylvania.

Mr. SANTORUM. Mr. Speaker, I thank the gentleman for yielding to me.

It is a privilege to join in a special order of this nature because I think it does point to some of the serious problems facing this House.

I would like to pick up on some of the points that my colleague, the gentleman from Washington [Mr. MILLER] was talking about, and first compliment the gentleman for just an outstanding job. I have had the privilege of working with the gentleman from Washington [Mr. MILLER] on the Budget Committee now for 1½ years. When we started on this project, JOHN MILLER, JOHN KASICH, TOM DELAY, and I, a year ago, we were convinced after sitting through another budget resolution, mindless as JOHN used the term, mindless across-the-board reductions in the budget are just that mindless and we should do better in proposing some responsible alternatives, and the gentleman from Washington [Mr. MILLER] as well as the three others came out with some very solid proposals, many of which have been adopted in other areas; but the proposal of the gentleman from Washington [Mr. MILLER] on foreign aid is not only a good idea, and from everything I have seen, I have met with people from the administration to people all over, people who have interests in the foreign aid bill, people here in the Congress, I have not met anyone who thinks this is a bad idea. I have not met one person, talked to one person when we presented this who said that this is foolish, this makes no sense, this is wrong. Everyone said, well, yes, these are obvious reforms. These are things that we need to do. You are absolutely right.

We offered these amendments in the Budget Committee, the gentleman from Washington [Mr. MILLER] did. Everyone sat there and said, well, you know, these are not bad amendments, but this is not the place to do it because you do not want to do these specific things in the Budget Committee.

So we said OK, fine. We will wait until the Appropriation Committee comes around.

Now we are being told by the Rules Committee, well, this is not the place to do it. Wait for the authorizing bill.

Well, as you know, we have been waiting 2 years for an authorizing bill and we may never have another authorizing bill in my lifetime. I do not know.

Mr. WALKER. Mr. Speaker, if the gentleman will yield, at one point today the authorizing committee was talking about folding their bill into the foreign operations appropriations bill and doing it without amendment on the floor, that they were going to do it as a motion to recommit.

We finally talked them out of that ridiculous notion, but at one point you were going to have the authorization bill taken away from you, too.

Mr. GINGRICH. By the way, would the gentleman just mention the size of the bill?

Mr. WALKER. Yes, it was 650 pages that we were going to do with 10 minutes of debate.

Mr. GINGRICH. Would the gentleman repeat that. Was it 650 pages?

Mr. WALKER. Six hundred fifty pages.

Mr. GINGRICH. Sixty hundred fifty pages of foreign aid authorization without a single amendment to be dumped on to the Foreign Operations bill to pay for it, where they do not want to let amendments, either.

We just celebrated with Yeltsin the spirit of democracy a week ago today.

But go ahead, I yield to my friend, the gentleman from Pennsylvania.

Mr. SANTORUM. Mr. Speaker, I just want to say that the work that is done here, we may have objections on the their side saying, well, this is some hatched-up idea, that we are just trying to mindlessly cut. This is not. This has been something we have been circulating around this Hill for over a year. We have had discussions, as the gentleman from Washington [Mr. MILLER] said, with environmental groups, to poverty groups, people who are interested in specific programs. No one has come forward and given us any substantive argument as to why these reforms should not be made, except for the fact that, well, this is not the place to do it.

Mr. MILLER of Washington. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Washington.

Mr. MILLER of Washington. Mr. Speaker, I thank my colleague for his kind words.

Obviously, our package included more than the amendments that we referred to. It included changes in the Food For Peace Program, but that is in the agriculture bill.

Obviously, we would have liked to put through an AID reorganization bill, but we are not allowed to do that, so the only opportunity we have is certain amendments in the appropriations bill.

I thank my colleagues from Pennsylvania and Georgia, their eloquence on this issue is fully justified. My colleague, the gentleman from Pennsylvania [Mr. SANTORUM] has not only worked hard on this foreign aid reform, but I know that he has worked very hard in taking the lead on some of the amendments, some of the proposals to cut spending in the legislative branch that we were not allowed to offer today. I think we should go through some of those.

Mr. SANTORUM. Mr. Speaker, I appreciate that, and I would be happy to do that.

I would just like to give sort of a scorecard of what has been going on here. Two days ago I appeared before the Rules Committee before this nefarious activity began. I believe there were 27 amendments that were offered to the Rules Committee. By my count, of these 27 amendments, 3 were offered by Democratic Members——

Mr. MILLER of Washington. This was on the legislative branch appropriations?

Mr. SANTORUM. Legislative appropriations, this was on Monday and yesterday.

Three were offered by Democrat Members. Twenty-four were offered by Republican Members; ultimately as a result of points of order that were not waived, et cetera, actually only five amendments were allowed to be voted on the floor of the House. Of those five amendments, all three of the Democrats were allowed and two of the Republicans. So the Democrats went 3 for 3 in the Rules Committee and the Republicans went 2 for 24.

I do not know in what sport you can compete and do 2 for 24 and stay in the league very long, but that is exactly what we are being penalized with.

We were allowed to offer two amendments to the bill here. I went to the Rules Committee and asked to have three amendments made in order, two of which would be subject to a point of order. One was what the gentleman from Pennsylvania [Mr. WALKER] referred to as a striking amendment. A striking amendment is simply taking the number that is in the appropriations bill and reducing it, striking it to a lower figure. That is what I attempted to do. That is in order under every appropriations bill. Maybe the gentleman from Pennsylvania or the gentleman from Georgia can help me on this, because I have limited experience with appropriations bills.

But in your recollection, can you ever recall an appropriations bill where you did not have the right to strike here on the floor?

Mr. GINGRICH. I think there have been two in modern times.

Mr. WALKER. I am told this has happened on a couple other occasions on the foreign operations bill. When it comes to foreign aid, we seem to have a growing pattern here of not allowing this on foreign aid, but now it is beginning to slop over into other areas, and obviously hit legislation.

Mr. SANTORUM. To the gentleman's knowledge, it has never happened on a legislative appropriations bill?

Mr. WALKER. Well, I think this is the first time in history that this happened on a legislative appropriations bill. It shows what Congress believes the public thinks about itself.

Mr. SANTORUM. I am very interested in the gentleman's opinion on why he thinks this is going on. We had offered to the Rules Committee 27 amendments. I reviewed all 27 amendments. None of them would be considered by anybody as draconian cuts. There were no meat axes taken to the legislative appropriations bill. There were some amendments, two of which were mine, which were clearly subject

to points of order here on the floor which were legislation on appropriations bills.

My excuse for that, frankly, is that we do not have an authorization bill that we can legislate on here as Members concerning our own body, and this is our only opportunity, but I can accept the fact that under the general rules of the House, legislation on appropriations bills is not Hoyle.

Mr. WALKER. Except that they permitted it on a couple amendments that they favored.

Mr. SANTORUM. Well, that is correct, they did. They waived them in the amendments they favor. That is correct.

But I would not even expect that, but what I would expect is the opportunity for the one amendment that I had in order which was to strike the franking account to be made in order, and yet of these 27 amendments, 15 were to strike. Some of them were duplicative. I think there were three amendments to cut the franking account.

Of these 15 amendments to strike, none of them were bad, I mean, as far as deep cuts that were going to cripple programs, yet none of them were allowed—well, two or three were allowed to be offered.

What possible reason, because it certainly could not have been the fear of any of these passing, because had they all passed, with the possible exception of the GAO, in which we had the debate because it was probably the deepest of all the cuts, so they allowed us one deep cut that they knew would have trouble passing; but with the exception of that, what possible reason could there be that they are fighting us?

Mr. GINGRICH. Let me give the gentleman a very simple reason. It has nothing to do directly with legislative appropriations, although that is the center of their party empire.

The fact is, as liberal Democrats have become less and less popular, as it has become less and less defensible in public to prop up the welfare state and prop up the elitist counterculture and prop up the bureaucracy and prop up the pork barrel, they simply cheat by rigging the game.

□ 2120

It is like a contest in which, as we get better, as more Americans decide that broadly conservative values are right, they set up a new scorecard. Imagine a baseball game in which if you are a liberal Democrat, a foul ball is a homerun. If you are a Republican, a homerun is an out. That is literally, when we talk about the rules so that everybody back home can understand, this is how badly rigged this room is today. After 38 years of Democratic Party one-power rule, they routinely rig the game. The Rules Committee comes in and says we will now structure it so that this will happen.

Mr. SANTORUM. But this is a party that has a 102-vote majority on the floor of the House.

Mr. GINGRICH. Right; and I think that is part of it. Lord Acton warned that power tends to corrupt and absolute power corrupts absolutely.

What you have is a Rules Committee which, for all practical purposes, has absolute power on behalf of the Speaker.

So in the terms of a fair rule, it is a corrupted process. They walk in and say, "We have a liberal Democrat who wants to offer an amendment. Of course, it will be made in order so that they can go back to their constituency and claim that they got something done." We have, as the gentleman pointed out, 24 Republican amendments. Why would we make them in order? I mean they may be good ideas, they may be terrific ideas on foreign aid, they may improve the system, they might improve health care, they might improve the welfare system, they might improve policing. But after all, they do not fit the liberal welfare state. The public employee unions did not approve them, the trial lawyers did not approve them, the left-wing activists did not approve them.

Mr. SANTORUM. I guess my point is if you have a 102-member majority on the floor of the House, why won't you let them do it?

Mr. GINGRICH. I will explain one more second, and then I will be glad to yield.

Because they are so out of touch with America that if we had 2 weeks of open rules where we could force votes on amendments, we are so much closer to the values of the American people than the liberal Democrats that we would win most amendments. We would simply beat their majority because their average Member would come in here and say, "Let me understand this. I get to vote with the big cities, the labor unions, the trial lawyers, and the left-wing activists. Or I can vote with the other 80 percent of America. I think I will get reelected by voting with the other 80 percent of America." They would literally lose control of the place because they would not be able to put their votes up here where they are recorded on the wall.

They knew, the Democratic leadership knew if they allowed the gentleman's amendment to be in order, it was going to pass. They know that on amendment after amendment, cutting spending in 1992 is popular.

The American people are sick of being told they have always got to pay more taxes to Washington.

They just saw Governor Clinton promising to raise taxes. That is why he is at 24 percent in the polls.

So the American people, if they had 10 or 12 votes in 1 day or that average liberal Democrat had to vote for more spending, and indefensible spending—as you know, some of those amendments you could not have explained back home. So they said, "We have an idea, we won't let anybody vote. We won't let anybody know." All you got to do is get through one vote, give the Speaker and the Democratic majority total power of the rules and we will protect you from yourselves.

So they all hid behind the rules.

I yield to the gentleman from Pennsylvania.

Mr. WALKER. I just want to point out to the gentleman that that was confirmed to me by a couple of Democrats who came up to me, just talked to me on the floor today and were expressing some sympathy with the positions that I have been articulating out here, and said there are a number of Democrats who are very disturbed with what they see as a developing pattern here, that they really do believe that their rights are being stripped away from them as individual Members, too, and they are very disturbed that they are becoming a part of a kind of despotism that worries them.

They said the reason why it is happening is because there are too many Members on their side who do not want to cast tough votes. So therefore rather than being caught in a whipsaw between their leadership and with the folks back home, they have decided that despotism is better than democracy and they are perfectly willing to shut down the operations as a way of preventing themselves from having to cast votes that at some point someone might call them for in a political context.

You know the problem with that is that is exactly the way democracy gets lost. People who have so much fear, who fear for their own personal security to the point that they will deny themselves their rights and deny others' rights, and that is exactly what is happening in the House.

Mr. SANTORUM. I asked the question of the gentleman from Georgia because I wanted to elicit a response from him. But he hit exactly on the word that I think is apropos here, and that is the word "fear." There is an intense amount of fear here of the people in this body have for the American public. They are afraid, they are afraid to let the system work and to be exposed perhaps for doing what is not in the best interests of America.

So in that fear of upsetting the voters back home and not getting reelected, that fear drives you to very irrational behavior, in my opinion, very irrational behavior, as a legislative body.

Mr. GINGRICH. I yield to the gentleman from Washington.

Mr. MILLER of Washington. I thank the gentleman for yielding. I think maybe we should review for those who are listening and watching this what the bills are that we are talking about here.

Every year we have 13 appropriation bills that come to the floor. These are the bills that spend the money that the taxpayers pay out. This is the most important function of the Congress, to pass and decide on the appropriations bills.

Now, if you have a situation such as took place today on the appropriation bill for the legislative branch, where major amendments are prohibited from being offered, if you have a situation which apparently will be the case tomorrow on the foreign operations, the foreign aid bill, where major amendments will not even be allowed to see the light of day, Republicans are denied the right to make amendments, if that pattern is followed through the 13 appropriation bills, what is going to happen?

Well, of course, we are going to end up with appropriations bills that are larger, we are going to end up with appropriation bills that have more nonsensical provisions that could have been removed with amendments, we are going to end up with appropriation bills that just continue the status quo in every section of Government instead of allowing the possibility of change, reform, of rejuvenation.

This is I think what is going on, my colleagues, today in this House. I do not know if any of you would like to comment on that, whether you agree or disagree with me on this appropriations process.

Mr. GINGRICH. Let me comment for a second. Let me say that truly if visitors when they came to the Capitol, in order to understand what Mr. MILLER of Washington just stated, if they would go look at the appropriations. They are all tiny, they are all hidden away. None of them is susceptible to cameras. I do not know whether C-SPAN ever films an appropriations markup.

Then go upstairs and look at the Committee on Rules, where they kicked out C-SPAN yesterday because they did not want the country to watch what the Democratic leadership was doing.

So you have hidden away tiny rooms all over the Capitol where the money gets spent and then you have hidden away up here a tiny room where the rules get shaped.

Then they come to the floor and they try to rush the bill through before the American people can see what happened. So billions of dollars can get to the floor, get gaveled through by the auctioneers with special interests and get sent off without anybody ever having seen exactly what is involved.

Then we wonder why are the American people so outraged? How could they not be, given this kind of behavior?

I yield to my friend from Iowa.

Mr. NUSSLE. I would just respond to my friend, the gentleman from Washington [Mr. MILLER] that I think at least the way I always understood it, learning it in school before I came here as a freshman Member this past year, I always learned that the appropriations process was a period of time where we set the priorities for the country, where we as Representatives decide what is important. Unfortunately, most of the priorities are tied to money and therefore our priorities are determined in appropriation bills. But be that as it may, that is when we set the priorities for the country.

What I have also learned in talking to people, whether it is in the Chat & Chew Cafe in Thornton, IA, when I was talking to a number of farmers, or whether it is at a town meeting, my constituents tell me they are very frustrated because they do not see us setting the true priorities for the country. They see us crisis-managing every issue that comes up. They see us not setting the priorities in terms of issues but setting the priorities in terms of our own personal reelection and political future.

One of the frustrations I have had, and it was heightened by what Congressman SANTORUM was talking about in the closed rule, is that we do not have the opportunity in this body to have the great debate, we really do not.

□ 2130

We really do not, and, during the debate on the balanced budget, the very brief debate that we were all allowed to have on the balanced budget, I mentioned what I thought we need here in this body is some strategic planning, some ability for us to get together as Representatives, do the job we were paid to do and set priorities for the country. It is unfortunate that we have so many other commitments that it is very difficult to do that.

I think what it is going to take, and a Democrat Member, senior Member, the gentleman from Kentucky [Mr. MAZZOLI], agreed with me on this, and I was kind of surprised to hear it; he said to me, and I made the same statement, that we ought to make it mandatory that Members of Congress come into this room, and let us lock the doors, and let us start talking. Let us start having that great debate again because, Mr. Speaker, when I say to a constituent back home in Iowa that health care is an important issue, they no longer believe me, or any other Representative that stands up and says that health care is an important issue, because for the last 25 years politicians, candidates, Congressmen, Senators, Presidents have stood before the American people and said that this is important, that I have a plan, that I have an issue, and yet every single year we fail to get the job done.

So, Mr. Speaker, it is no wonder at the end of a period of time like that that they are looking for change, that they are looking for reform, and my answer to all of this, and trying to answer the question of the gentleman from Pennsylvania [Mr. SANTORUM] of why and what needs to be done, is that the only way for us to regain, I believe, the trust, earn back the trust, of the American people is to change the way we do business here.

Part of that is open rule, changing the way that we debated the bill today, the bill that determined how we were going to set up the structure of the House of Representatives, but also the way we set priorities in this country and in this House of Representatives.

Mr. Speaker, we do not have that opportunity. Very few times in my brief time here in the House have I had that kind of debate. I have had better debates at church council meetings back in Manchester, IA. I have had better debates with farmers over coffee at 7 o'clock in the morning in a cafe in Independence, IA.

Mr. MILLER of Washington. Mr. Speaker, if the gentleman will permit me, they do not adopt a rule in that cafe; do they, that prevents the gentleman from bringing up a major subject or——

Mr. NUSSLE. Exactly. That is exactly how it works. They will say, as my colleague knows, "What's important for us to discuss today? Health care?" Or, as my colleague knows, "What's important to discuss today? Budget deficits?" And, Mr. Speaker, they throw it up as a jump ball, and people get to jump in whether they are a freshman Member from Pennsylvania, or a senior Member from Georgia, or wherever they are from. They have the opportunity; maybe not quite as senior as they would like it to be, but they get the opportunity to jump in.

Mr. GINGRICH. It is the gray hair.

Mr. NUSSLE. I understand, but I say to my colleagues, "You get the opportunity to jump in, to have your piece, to say what's on your mind, to represent the woman that Congressman GINGRICH is talking about or the farmers from Thornton, IA, that I represent. You have that ability."

Mr. Speaker, we are not given that ability today, and I would make the case that we do not work hard enough.

Mr. WALKER. Mr. Speaker, I just want to point out to the gentleman, if he would yield, that just up until a few years ago we did have the chance to have those kinds of debates in the House.

We used to proceed under a process known as the 5-minute rule where any Member in the course of debate simply got up and got 5 minutes of time, and they could yield during their 5 minutes, and then, at the end of their 5 minutes, they could get additional time, if need be, to have debate.

And I say to my colleagues, "You know, we had real discussions on the floor. We didn't have somebody getting

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up under a structured period of time where they have been yielded a couple of minutes, and they hurry to get their speech in, and then you have some other disconnected speech given, and then someone else gets up and gives a disconnected speech. You had real discussion. You had real debate on the floor."

Sometimes the debates got quite intense, but, as my colleagues know, they formulated policy, and out of that we even derived amendments. Good heavens. We even had some amendments written on the floor based on what people heard in debate, and we got bills corrected through that.

Today, under the structured process, we cannot have those debates anymore, and so we have lost something very precious in this body. We have lost the ability of Members to interact in a way that actually begins to develop policies and even ends up in some cases changing legislation. Today we operate purely under structure. There is no debate that is meaningful.

No wonder no one shows up, because no one is saying anything worth hearing anyhow, and we have lost something very, very important, and we have lost it because the Democrats got to the point that they could no longer sustain themselves in debate. They lost their confidence. They felt as though they were losing those debates, and so what they have ended up doing was closing down the process so they no longer had to face questions, and it is a real shame because we have lost the most precious thing the House had going for it, and that was it was the single most important debating place in the world.

Mr. GINGRICH. Let me, if I might, just say that anybody who has heard the gentleman from Illinois [Mr. MICHEL], the Republican leader, talk about what it was like to serve under Sam Rayburn and what it was like to have the House as a legislative body writing legislation in a free and open way with every Member, Republican, Democrat, liberal, conservative, freshman, senior, every Member able to participate in the legislative process; if we listen to Congressman MICHEL's description of what a legislative body is like, and then we look at the petty tyranny of the modern Democrat majority, and we look at the kind of legislative dictatorship that is gradually establishing this, there is an astounding difference in the style of the two systems.

I yield to the gentleman from Washington [Mr. MILLER].

Mr. MILLER of Washington. So that basically these decisions by the Committee on Rules to not allow the offering of amendments to major appropriations bills, this is a recent Rules Committee practice; is that what the gentleman from Georgia [Mr. GINGRICH] and the gentleman from Pennsylvania [Mr. WALKER], my colleagues, are saying?

Mr. GINGRICH. To the best of my knowledge on domestic spending this is the first time in the history of the House, but I may be wrong.

Mr. WALKER. Absolutely. This is very recent development. This whole idea of closed rules being the way in which we govern the House is a very recent development.

Mr. SANTORUM. My understanding was that I remember taking the floor of the House maybe a month or two ago, and I said, and I had gotten information from the Committee on Rules that every rule, and I think it was sometime in May, that every rule up to May had been a closed rule, every rule on every bill that came before the House.

Mr. MILLER of Washington. This year?

Mr. WALKER. This year.

Mr. SANTORUM. This year, starting on January 1, 1992.

Mr. WALKER. It used to be that closed rules were a very unusual practice. Only a handful of rules would come to the floor that were closed. Sometimes they had waivers in them, sometimes there were little changes, but for the most part we debated on the House floor under open rules.

Now well over half the rules that are passed are closed rules, which means; No. 1, that we do not get to offer amendments when the rule is closed, but it also structures the debate like I was talking about before. Not only did we get amendments, but the amendments we did get today were limited to 20 minutes or 30 minutes divided half to each side.

Mr. Speaker, they say that that is in the name of efficiency. Well, what happens in the efficiency then is that the time gets allocated in little bits and pieces, and nobody gets a chance to make a very articulate statement. No one gets a chance to really participate well in that kind of structure. So, we really end up with a debate that almost is indiscernible, and it is a terrible, terrible process, and it is very recent in its application in the House. We have only gone to this within the last three or four Congresses. That is when the trend really began.

I had great hopes when Speaker FOLEY came in following Speaker Wright that we would have some changes in this regard. The gentleman from Washington [Mr. FOLEY] had always been a man, when he debated on the House floor, who was one of the most articulate people they had. He was someone who could handle himself well in debate. He was fun to debate because he always handled himself so well.

Mr. Speaker, I thought we would get back to those kinds of debates. I am sorry to say we have not. Instead we have moved ever more down the road toward closed debates, and we are heading rapidly, I am afraid, toward no debate.

Mr. GINGRICH. Let me draw a parallel for just a second because I find what I have lived through recently is so extraordinary.

As the whip, Mr. Speaker, I have been allowed to escort Vaclav Havel, poet-playwright-President of Czechoslovakia. He came here. In one of his comments he said in October, he said he was imprisoned in December. They offered him the Presidency. So, that was real change.

We escorted Lech Walesa, a man who climbed over the wall to get back into the shipyard in Gdansk in a police state when he could have been shot to join the strikers. He is now the President of Poland.

We had Violeta Chamorro whose husband died at the beginning of the Communist revolution in Nicaragua, and she is now the President of Nicaragua.

Last week we had Boris Yeltsin, a man who showed enormous courage, stood on a tank and faced down the threat of a coup, risked his life and is the first freely elected President of Russia ever in the history of the human race.

Mr. Speaker, I find it fascinating that all of these people come to us and say, "Freedom is important. Freedom matters. What you Americans have taught us is essential."

□ 2140

The President of Germany came and said, "You know, America is like the story of Sleeping Beauty. America is the prince who brings the kiss of freedom and opportunity to the sleeping princesses of the world."

They come to this Chamber where for over 200 years free people have argued and debated and voted. And yet week by week, month by month, the democratic despotism of the Democratic Party closes the Rules Committee down more, closes the procedures down more, builds a wall of secrecy on legislation behind which its timid Members can hide. So they run in. They hope that procedural votes do not count.

I listed today every cut that would have been offered, and I said I will go to any district in this country and debate any Democratic incumbent. If you voted for that rule today, you voted to kill 15 spending cut amendments, and you had better have the courage to go back home and be honest about it. Because I think many of us are prepared to come into any district and say this is what that vote meant. That vote killed 15 spending cut amendments on the legislative bill, and here is what they would have been.

Now we are going to have a chance tomorrow. They are going to bring the foreign aid bill in. I mean, what madness? If there is any bill that needs to be improved so we can pass it, and I am

a strong supporter of foreign assistance, and I have worked closely with the Bush administration to get a bill through, and I believe we need to do things, and I promised President Yeltsin that I would work with him to try to help him, but to be told by the Democratic majority that we cannot improve the foreign aid bill, we cannot cut out the waste, we cannot reform the procedures, we cannot change the things that are obsolete, that we have to throw away and waste the money of the American people because the Democratic Party and its Rules Committee will not allow us to offer amendments?

I will do everything I can to defeat that rule tomorrow, and I will do everything I can for the rest of this year to drive home in every district of every Member who votes yes that that is a rule to strangle the democratic process in America and to guarantee that your money is wasted overseas. Because I want to have a clean, good, modern, reformed foreign aid program that we can defend back home when we vote for it. And the process of the Democratic Party in this House blocked that kind of reform.

I will be glad to yield to my friend from Pennsylvania.

Mr. SANTORUM. I appreciate your comments, and I would say that back home Congress is not very popular and legislative appropriations would not be very popular, but foreign aid is not very popular either. And to have us come to the floor of the House, and two things that the American people are saying is, "Listen: you guys are living too fat and high on the hog and we need to trim you guys back, and say oh, no, we are only going to allow limited amendments on that."

The other thing I hear, and I am sure we all hear in all our districts, is, "Quit giving all this money that we don't have any accounting for, that we just keep giving all this money away to all these governments all over the place for things that we don't even—and take care of ourselves here at home."

Well, on that bill too we are not going to have a chance to make any reforms or to pare back any spending there. No, we are going to get whatever the Rules Committee decides and jams down our throats.

Now, I do not understand. Any group of people who have any semblance of touch with what is being said in America, who realize the phenomenon of Perot, and say, "Well, on two things that the American people really do not want to spend a lot of money on, we are not going to allow this body to debate that."

That, to me, is incredulous to me, that a leadership can allow that to occur, especially when you have amendments out there, as the gentleman from Washington is offering, that are good solid amendments that would improve the entire process. But yet that is what is going to happen.

Mr. GINGRICH. Let me just say, to be candid, the way that America changes itself and renews itself is called an election. Jefferson said every generation is allowed a revolution. He meant by that at the polls, an election.

Lincoln in his first inaugural said the American people have every right to a revolution, and the place you get it at is a ballot box.

You, my good friend from Pennsylvania, defeated an incumbent. You know what it is like to run against somebody who has been in Washington.

Can you imagine a Member going home in October and saying oh, yes, I voted to kill every amendment on legislative appropriations, I voted to kill every amendment on foreign aid, I voted to kill every amendment, and you go down the list, and not have the American people say, "You have just lost your mind. What do you mean, you won't allow amendments?" Because that means that a Member who votes for a closed rule has to be prepared to defend every item of the bill. Because they are saying with that closed rule, this bill is so perfect it does not need to be improved.

I will be glad to yield to my friend.

Mr. NUSSLE. Well, let me ask, because this has been bothering me for some days now, because the people are upset, and, as you said, the way that we effect changes is an election.

But my concern is, and I would ask this in the form of a question, what do you say to the people that are thinking of staying home? Basically throwing up their hands and saying one person cannot make a difference? I cannot make a difference, whether it is in my town, whether it is in my county, whether it is in my State, whether it is going on in Congress, I cannot make a difference in effecting open rules.

I mean, I hear these people on the floor of the House talking about open rules and legislative appropriations. I do not understand that. I understand some commonsense type things, but I am thinking of staying home, because I don't hear anybody talking my language. I don't hear anybody setting the priorities for the country. I don't hear anybody deciding what is important to me as a I sit on my couch watching this at home.

What do you say to a person who is thinking of staying home this fall, and maybe not providing that revolution in the form of an election?

Mr. GINGRICH. I simply say to them, remember the words of George Bernard Shaw, who said, "All that is required for evil men to succeed is for good men to do nothing."

Every decent, hardworking, honest American who stays home makes it easier for the pork barrel, for the professional politicians, for the insiders, for the ripoff artists, for the people who do not want the American people to vote.

So I say to every American citizen, I do not know of any year in my lifetime where it is more important for you to pay attention to the issues, to register, and to vote.

CUT FOREIGN AID ASSISTANCE COMPLETELY

The SPEAKER pro tempore (Mr. WISE). Under a previous order of the House, the gentleman from Mississippi [Mr. TAYLOR] is recognized for 5 minutes.

Mr. TAYLOR of Mississippi. Mr. Speaker, I ask unanimous consent that in order to save a few dollars for the taxpayers, that my remarks not be included in the RECORD.

The SPEAKER pro tempore. The Chair declines to entertain that.

Mr. GINGRICH. I do not think you can ask that.

Mr. TAYLOR of Mississippi. Sure you can. You can ask unanimous consent for anything.

The SPEAKER pro tempore. The Chair declines to entertain the request.

Mr. TAYLOR of Mississippi. Mr. Speaker, I would also like to ask unanimous consent, in an effort to save a few dollars for the taxpayers, I would like to dismiss the staff.

The SPEAKER pro tempore The Chair also declines to entertain that request. The gentleman may proceed for 5 minutes.

Mr. TAYLOR of Mississippi. Thank you, Mr. Speaker.

Mr. Speaker, tomorrow the House of Representatives will vote on the foreign aid appropriations bill for 1993. It is approximately $15 billion. I would like to remind the American people that the budget submitted by President Bush and the budget that will apparently be passed by Congress will be about $399 billion in deficit this year.

So what the House will debate tomorrow is whether or not we as a nation will borrow money, one-third of which that money will come from Japanese and German lending institutions, so that we can give it away in foreign aid.

I would like to remind the citizens that I have the privilege of representing some of the world's greatest shipbuilders in south Mississippi. The shipbuilders throughout our country have had a tough decade. We have lost 300,000 shipbuilding jobs in the past decade, mostly since President Reagan recommended, and unfortunately this Congress approved, a reduction and actually the elimination of the subsidies for building ships in this country.

It is my understanding that next week President Bush will recommend and I certainly hope Congress will not accept a provision that will allow U.S. taxpayers' dollars to be used to purchase ships overseas, and then those

ships will get an operating subsidy paid for by the taxpayers of America.

The point that I am trying to make, sir, is that there seems to be a bias against Americans in this country. A few weeks ago the administration submitted to the Committee on Merchant Marines and Fisheries, of which I am a member, a provision to charge license applications in our country. If what is called a jackup oil rig has the American flag, it is American made, an American crew on board, the cost of that license would be approximately $6,000. If a foreign flag vessel sought the same license, it would be $10,000.

There has come a time in our Nation, and that time is now, to start looking out for Americans. It is senseless to spend $15 billion on foreign aid.

I have just heard a number of my colleagues offer regrets that they could not offer amendments tomorrow. I have one better solution: vote the bill down.

□ 2150

Let us not have any window dressing. Let us not reduce it by 5 percent, 10 percent, 20 percent and go home and say, "Look what I saved you."

If we want to save the taxpayers some money, let us cut out the entire foreign aid authorization and appropriation and save the $15 billion.

I would additionally like to remind the gentlemen that later on in this session, I hope, there will be a bill come out of the Committee on Armed Services, Foreign Operations Committee that will reverse the practice where 5 nations get first crack at surplus equipment from the Department of Defense.

I say they get first crack at it because before your county supervisor, your county commissioner, your city councilman, or your mayor can ask for a surplus piece of equipment, five countries have the opportunity to decide whether or not they want it. And if they want it, the taxpayers of America will have to pay to have it repaired, pay to have it crated, pay to have it shipped on the vessel of their choice to the place of their choice in their country. Again, another bias against Americans at a time when our cities and counties are so desperate for cash.

And lastly, Mr. Speaker, I regret that it is the ruling of the Chair not to allow that my remarks not be included. Obviously, there are a lot of people around this country with VCR machines. Obviously, a tape of these proceedings is being made. The purpose of this lady being here today taking down my remarks is superfluous.

The cost of the CONGRESSIONAL RECORD is over $400 for every 8 minutes of speeches. You gentlemen in your eloquence a few minutes ago cost the taxpayers approximately $7,000. That does not include the cost of having the staff here.

I have no problem with Members addressing the American public. As a matter of fact, I think that is a very important part of our job. But I do not think it should ever be done under the guise that we are addressing the House. The House is obviously not here. The House has gone home. It is almost 10 o'clock at night. If the Members choose to address the people of America, then let us make a room available in the Capitol with a television camera and if C-SPAN or come other network chooses to record this at no cost to the taxpayers, then let us show it. But let us not spend $7,000 an hour for people to go on television at the taxpayers' expense. It is just not fair; $7,000, incidentally, is a heck of a lot of money in Mississippi. Every 5 hours of this debate would pave another mile of street. Every 5 hours of it would buy a backhoe or a bulldozer for some community somewhere in our country. If we are really sincere about saving money, let us change the practice of special orders as we now know it. Allow the overworked staff to go home at some reasonable hour during the day.

One of the reasons they are paid pretty well is because they have to work crazy hours. These special orders go on all night. Let us see to it that if the networks think these speeches are worth covering, they cover them at their expense, but not the taxpayers of the United States of America, the same people who tomorrow will be asked to shell out $15 billion in foreign aid.

A FURTHER DISCUSSION ON SPECIAL ORDERS

The SPEAKER pro tempore (Mr. WISE). Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 60 minutes.

Mr. WALKER. Mr. Speaker, that was a fascinating discourse we just heard from the gentleman from Mississippi, who has, in the course of his remarks, suggested that we eliminate the special order time, which, of course, is another time when the minority gets to control a little bit of time in which they could debate. This gentleman wants to shut that down.

The gentleman also, as I understand it, wants to shut down keeping a record of the proceedings of the House of Representatives, that he does not think we should have a CONGRESSIONAL RECORD any more. That is almost unbelievable.

One of the most important things that the American people need to have as we proceed legislatively is a record of what we said. That record is what allows agencies of the Government to decide what was meant when Congress did these things. And it is absolutely fundamental to the process to have a written record of what goes in the U.S. Congress.

The very idea that the gentleman would propose that not only should we begin to shut down the debate but, having shut down the debate of the House of Representatives, as his leadership is doing consistently and which he consistently supports on the rules, then he proposes that we do not keep a record of what we are doing here. It absolutely boggles the mind that we should have that kind of attitude.

I think once again it demonstrates how far out of touch the Democrats in the House are becoming. This forum is one in which Members get to express a variety of viewpoints. It is time that is not wasted in this gentleman's opinion. It is time, since the earliest days of Congress, that Members had had to do it. But long before there was television, there were special orders. Long before C-SPAN began to cover the Chamber, there were special orders of Members coming out here and expressing their opinion on issues of importance at that time.

There is no reason why it should not continue. And to suggest that somehow this is time that should be taken away from the Congress, I think would be a terrible mistake.

Others on his side have proposed it. It has always been on the idea of cost. It is amazing, however, that costs do not seem to bother them when we have a legislative appropriations bill on the floor today where we are trying to cut out real waste and abuse. We would not allow an amendment on the floor today where we are building a new gym, but what we will do is we will stop printing the CONGRESSIONAL RECORD and stop Members from having debate time.

I think it is just absolutely unbelievable.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. SANTORUM].

Mr. SANTORUM. Mr. Speaker, I agree with the gentleman 100 percent. I would say to the gentleman who just spoke previous to you, who voted against allowing amendments to be offered here to cut the legislative appropriations, who voted against that to allow us to bring to the floor amendments to cut the legislative appropriations bill, now stands up and says that we should not have the right, because I was only given during the rule 1 minute, actually, yes, 1 minute to discuss why my opposition to the rule. And what he is saying, "Well, that is all you get. We are going to tell you how much time you get. You get that much and no more. And if you want to come out here and explain in the RECORD why you oppose a certain thing that goes on here, that should not be printed. That should not be recorded because you don't count. You don't count here. I tell you what you can say and when you can say it, but if you want to come up here and have time to explain in the RECORD why you opposed a certain rule because you were only given 1 minute, and in some cases not given any time at all, then that should not count."

Mr. TAYLOR of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Mississippi.

Mr. TAYLOR of Mississippi. Mr. Speaker, in response to the remarks of the gentleman from Pennsylvania [Mr. SANTORUM], obviously the gentleman is new. But if he had spent a little time on the floor, he would understand that when Members go up and speak, even for 1 minute in the beginning, they ask for permission to revise and extend their remarks. My proposal would not affect that at all.

Mr. WALKER. Mr. Speaker, let me say to the gentleman, I do not ask to revise and extend my remarks. I allow my remarks that I make on the floor to stand as they are spoken. I think the revision/extension remarks, if you want to know something, that is an abuse. It is that. It is the ability of Members to change their remarks over what they said.

I think that is an abuse of the CONGRESSIONAL RECORD.

We actually have Members that have taken their remarks and gone 180 degrees different from what they actually spoke on the House floor.

Mr. TAYLOR of Mississippi. Mr. Speaker, we are not in total agreement on that. The gentleman did not see me ask to revise and extend my remarks. I do not do so. The only time was during the Persian Gulf war debate, when I felt like because of the limited amount of time that I was given, I would like to have my whole thoughts included in the RECORD, as did many other Members.

Mr. WALKER. Mr. Speaker, I do not speak in those instances.

Mr. TAYLOR of Mississippi. Once again, to the gentleman from Pennsylvania [Mr. SANTORUM], you would understand that the opportunity is there to have your remarks included in the RECORD during every debate. Unanimous consent time is given for Members just to include their remarks they have not spoken.

AMERICANS MISSING IN ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes.

Mr. DORNAN of California. Mr. Speaker, I am going to talk about Americans missing in action from World War II, from the Korean war, from the very hot, bloody and vicious four decades of the cold war, and American prisoners and missing from the Vietnam war.

□ 2220

Mr. HUNTER. Mr. Speaker, will the gentleman yield, before he takes off here with his time?

Mr. DORNAN of California. I yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I thank my eloquent friend, the gentleman from California [Mr. DORNAN] for yielding, and I just want to say to him that we appreciate his leadership on the POW–MIA issue, and the fact that he invented, so to speak, the "Missing in Action" bracelet, and also that he is a co-chair of the House task force, the Republican Task Force on Prisoners of War and Missing in Action.

I want to thank the gentleman for his many, many years of efforts in this area, and for all of the efforts he is going to undertake in the near future.

Mr. DORNAN of California. Mr. Speaker, I thank the gentleman for his kind remarks in my opening here.

I just want to say something about my friend, the gentleman from Mississippi [Mr. TAYLOR]. He just left the floor. I hope he is still in the cloakroom, by way of prologue about what I am going to say.

I am going to talk a little bit about the Doolittle Raiders. We passed the 50th anniversary on April 18 with maybe only 2 minutes' reference in this Chamber, because of the bizarre circumstances and rules we operate under now; the Bataan death march, the 50th anniversary was April 9, just a brief mention on this floor: Corregidor fell 50 years ago May 5, a brief mention on this floor; the Battle of Coral Sea, the 4th through the 8th of May, bracketing the fall of Corregidor.

We were winning something, at least a stalemate in the Coral Sea, stopping the Japanese from actually taking one of the world's largest islands, New Guinea. Then this month, on June 4, actually the 3d through the 7th, was the Battle of Midway, the greatest naval engagement in the history of mankind, turned the whole war. I have only been able to briefly mention it 2 minutes here during this month in 1-minutes. In other words, I have waited 4 months for this precious opportunity to talk about our prisoners of war and to mention some of these heroes from past conflicts.

Again, I say, the gentleman from Mississippi [Mr. TAYLOR] is a friend. He is a conservative Democrat. We need all of those we can get. But in a chance to rip off a little glory around here as a conservative, to save a few dollars, he has picked the wrong cause to attack, the special orders.

Unfortunately, I truly believe if he were in the minority, and he is a minority in the majority, if he were in the Republican minority on this floor he would never try to steal from ourselves this precious few moments at the end of the day that we have to communicate with the American public. Is it rule XVIII that we are not supposed to read anything on the floor of this Chamber without unanimous consent? We allow that rule to be abused pretty regularly in our 1-minutes at the beginning of the day.

It confounds me that people cannot get up at least for half of that 1 minute, for 30 seconds, and get their chin up, look up in the gallery and talk to these six cameras that are also suppressed and controlled around here, where they have to pan an empty Chamber at night, although 1 million, 1 million taxpaying citizens, Mr. Speaker, are watching this Chamber and tracking this fascinating debate that just went on here.

We act, through the rudeness of the Speaker's control of the cameras, as though nobody is listening except a handful of people on the House floor. I hope, I would say to the gentleman from Mississippi [Mr. TAYLOR], and we will have a little chat in either his cloakroom or mine, that the gentleman will reconsider his thrifty but misguided cause to try and take away from a frustrated minority a chance to spend a few moments out here on the floor and talk to our fellow citizens and fellow taxpayers.

I want to discuss ever so briefly, given the heroism and the loss of life involved, our Doolittle Raiders, our courageous men and women; women, lot of Army nurses called "angels" by the men that they ministered to death, and some of them that they took through their imprisonment at Santo Tomas and other camps in Manila, actually got them alive through the war, our angels of Corregidor, our angels of Bataan, and the heroes of the Battle of Midway, including some that were prisoner that we did not even know about that were tragically executed as the country was listening to the euphoria of this great naval victory.

Then I want to close the loop and come back to our lost POW's from U–2 flights, from other reconnaissance flights, like Strategic Command RB–47 Stratojets that were lost around the periphery of the evil empire, which Yeltsin, standing up there in this splendid hall right at that historic spot where Churchill has stood, where the Marquis de Lafayette in another Chamber just near this had stood, where MacArthur has stood, where people from like Roosevelt and Eisenhower and Ronald Reagan have given the stirring State of the Union addresses, at that historic spot Mr. Yeltsin, the first elected person in the Soviet Union, as he put it, in a thousand years, and that is putting something in very special historical context, he used the word "evil" in reference to the system in which he was born and has lived all of his life up until his election. He also called it an "empire" several times.

Now the people that used to object to those two words on the other side of the aisle, they have to hear it from the first elected President of the newly constituted, reconstituted nation of Russia.

I just talked to my brother, Don, on the phone. He said the L.A. Times says

there is compelling evidence on this POW situation in the Soviet Union. Maybe we will never know. That is why I want to start out talking about World War II and some instances of heroes' death with no medals awarded, no commander alive, no NCO, no sergeant, no chief petty officer, no commander, no captain able to write home to the families with stirring words inspired by brothers under arms, watching a young man die and writing to the parents to say the debt of eternal gratitude that the country will owe to them; men who die alone, shriveled up in a prenatal position, their heroism known only to God and to their family members who preceded them to their eternal reward.

First, the Bataan death march on Corregidor. I have just finished reading a book simply called "Bataan" which ends with the story of the death march. Fifty years later in this modern age, even as we look at the ghastly shelling and destruction of the Bosnian city of Sarajevo, it is hard to conceive of people bayonetting helpless, skinny prisoners suffering malnutrition on one-quarter rations for the last 2 months of the defense of the Bataan Peninsula, to think of their captors bayoneting them to death because they held a man's head up as he drank stagnant water by the side of that road from Bataan up the peninsula to Camp O'Donnell, or Camp Cabanatuan, to leave people who are wounded in the middle of the road and watch trucks run over them, and if somebody moves out to help the prisoner off the road, he is bayoneted to death.

The Bataan death march is something I wish we would teach in our schools. It is only 50 years ago last April. President Ronald Reagan said in his stirring last words on national television that his greatest fear for our country is that we were betraying our young people by forgetting the history of our country, forgetting the men and women who, for three centuries before our independence was declared, two centuries and 16 years since as of this month, next month, the men and women who gave their lives on the frontiers and in combat all over the world for liberty, for ourselves and for other countries, that we are forgetting this history.

After "Bataan" I picked up this book, "Corregidor, the End of the Line." What a testimony of heroic strength. The gentleman from California, Mr. DUNCAN HUNTER, is still on the floor, my friend, the Member from San Diego. He just read a few passages from this sitting up there, and said, "The middle class of this country is absolutely unbelievable. They served so willingly and so selflessly."

The prisoners taken at the time and on "The Rock," the small tadpole-shaped island of Corregidor, hundreds of them died on what they called hell ships where they were being taken to Yokahama to be shipped off to slave labor in Japan and in the mines of Manchuria and China, coal mines, living days below the ground, dying of all sorts of diseases associated with malnutrition and with freezing temperatures, day after day, in ragged clothes. The very uniforms they were captured in years before were still the only shreds of cloth on their bodies.

The differences here with Corregidor and Bataan is that we won the Second World War. My own term is "We walked the battlefields, looking for the MIA's." We had our unknown soldiers, very few of them, but we were able to account for most of the people and the thousands that ended up blown to bits, atomized, by artillery fire or plane crashes or lost at sea or in the jungle. We still find planes in the high mountain jungles of New Guinea, and bring their remains back to the central investigative lab in Hawaii and identify some of them after half a century.

Most of the MIA's we were able to reconcile because we won the war. Out of that victory came, in the Japanese and German archives, some stunning, heartrending stories of men who were tortured to death and we never knew it until after the war was over; prisoners, brutally murdered in cold blood.

But there was an exception: Our allies, the Russians, under Stalin, did not give us a full accounting of men in camps, German camps, that the Russians had liberated. They liberated in round figures about 25,000 American men, and by their own admission, out of the mouths of their new President, Mr. Yeltsin, they only returned about 24,500. Who were these 500 American citizens held behind?

□ 2210

Well, they were the people with names, to use names of people I have served with, like Zablocki or Derwinski, Members that I have served with in this House. Ed Derwinski is Ukrainian descent. He is our great Secretary of Veterans Affairs, and a man with a name like Ed Derwinski would have been held back. Anybody with a Russian, or Ukrainian surname, or a German surname, they would be held back. They were in that 500.

What happened to them there in what that great combat Russian captain, Solzhenitsyn, this brilliant reclusive writer in the title of the book that first made him known to the West, gulag, Russian word for prison camp, archipelago, Solzhenitsyn's gripping words to compare these camps in Siberia to little islands in the Pacific, they were islands unreachable, through the tundra, frozen soil, impenetrable forests that go on for hundreds and hundreds of miles, the gulag camps were like lost islands. But a prisoner on an island might catch the attention of a passing freighter. But how do you escape from a gulag camp in the middle of Siberia? All totalitarian governments, Hanoi, Pyongyang, North Korea, the Nazis, the Gestapo, the SS, the GRU, Russian army intelligence service, the KGB, or before it the NVD or NKVD, or the dreaded Cheka run by the Polish killer, Derginski. All of these people, these killers, they keep efficient records.

It is amazing. Look at under Saddam Hussein, his killers trying to genocide the Kurdish people. Now they add the gruesome ingredient of videotape, videotape of the torture and the assassination, the drugging and then the torture of the Kurdish leaders, and the mass graves, the dumping of them in graves. We have now gotten all of the tons, literally, physically tons of paperwork of Saddam Hussein's evil work that is now in the archives in this city being slowly researched to compile the death toll of the Kurdish people. It may be over 100,000, 200,000, maybe more, a quarter of a million of them killed just in the last decade.

So there are records in the Soviet Union, somewhere, that we can get access to, we hope, if Mr. Yeltsin keeps his word, although he does not have control obviously over the man that I sat across the table from at one of the KGB's three headquarters in Moscow last February, Yeugeniy Primakov, the head of the now split KGB. He is head of the foreign service, the spying operation. It is fully manned and operating out there. I do not know where they get the payroll money, but they are still spying on countries all around the world. And Mr. Primakov kind of dismissed in a discursive and rude way, and he said,

> You tell me who your agents were placed high in the KGB, and I'll tell you who we placed on Capitol Hill on your staff, and I'll tell you about the Rosenbergs, and about Alger Hiss, and about prisoners from World War II, and prisoners maybe from Vietnam and Korea.

Well, he is back in the papers now. Four months later he is in the papers today saying, "Hey, we've looked and we can't find anything." No, no, that is a lying statement. They have not looked thoroughly. The records are there and they can find them on whether or not we are ever going to know where the unnamed graves are of these 500 Americans from World War II.

Now before I come to the cold war and to Korea and Vietnam, let me tell you why I believe this is what DUKE CUNNINGHAM, our fellow California Congressman from San Diego has said it was. He said it is a matter of the heart, not just the brain, the intellectual curiosity to tie up the loose ends and see if you can identify what happened to heroes serving our country as civilians, agents in the CIA, or as men and women in uniform. In this case it is mostly all men. It is a matter of the heart.

SAM JOHNSON, who spent almost 7 years in captivity in North Vietnam,

because he was a natural leader, and had flown with the Air Force Thunderbirds, and he was a squadron leader, and he resisted. He was the leader of the resistance, and they tortured these men, they would break them, and then as soon as they regained their health and got their spirit back, they would take command again, tapping up one another with their special, simple squared-off code, leaving out the letter "K," using "C" for both the "K" and the "C" sound. They would tap people up on that little 5-by-5 chart until they got so fast that they were faster than Morse code. They would say, "It's SAM JOHNSON. He's got his health back. He's back on line. He's commander again."

Then they would find out about it and torture him again, and finally because he was called, with 11 others, hardheaded, actually 7 leaders and 4 who had tried escape attempts, although nobody was out for more than a day on their own, they put these 11, 9 senior commanders and Coaker, and McKnight, Navy officer and Air Force officer who had escaped overnight, they put them in a little prison called Alcatraz. And there were 11 of them. Robbie Riser was supposed to go there, my former squadron commander. He was so ill an sick from the horrendous torture that they just left him to rot in the cell, or he would have been in there too. Jeremiah Denton who served for 6 years in the U.S. Senate, the Senator from Alabama, and Jim Stockdale was in there, selected by Ross Perot to be his temporary Vice-Presidential running mate. I do not know why anybody would suggest that James Bond Stockdale was anything but a permanent wing man in any operation. But these heroes were there in Alcatraz, SAM JOHNSON, I remember from Texas, among them.

I asked him today in a press conference as we kicked off this yet new task force, four of us, and DUNCAN HUNTER still on the House floor, myself, SAM JOHNSON, highly decorated as I said, not just a POW hero but a combat air leader, and DUKE CUNNINGHAM, the first ace in the Vietnam War, one of only two, and he made it a few months before the Air Force's Steve Ritchie. And DUKE CUNNINGHAM and SAM AND DUNCAN and I stood there, and I just brought up because he is such a humble man, and he reminds me of the kind of men that fought at the Alamo, and I pointed out and I said, Correct me if I am wrong, SAM, but wasn't one of the prisoners, Ron Stoltz, the young air Force captain in the film, "Hanoi Hilton," the character that is so hardheaded that they put in the single, solitary cell by the pig sty, that character was drawn after Ron Stoltz, and he was one of these fellows with the natural sense of humor that we wish was in every unit, who keeps the morale up, who never stops the practical jokes against the enemy captors, and finally his health started to go downhill. Then finally after 4 years of solitary confinement, most of these men in this self-name camp, Alcatraz, away from the main prison, like the Plantation, or Hanoi Hilton, as the 10 were being put back after the San Te raid into the regular prison population, Ron Stoltz was left behind and eventually died. His remains have come back and I think he is buried at Arlington, and as he and the other prisoners were about to leave he knew that he was going to be held back, probably to his death. And he took the broom that he would sweep up the yard with occasionally, and he tapped out with their own tap code, he tapped out, "Tell my wife I love her. Say goodbye to everybody." And then the most common expression used, just three letters, "G" for God, "B" for bless, and the letter "U" for you, "God bless you," and he tapped that out at each cell door, the other 10 cells, and he was never seen again by his compatriots from Alcatraz.

There are other men that died under circumstances like Ron Stoltz whose remains we have not gotten back from Vietnam, and there are careful Gestapo, Nazi, KGB Communist records kept in Hanoi that they still hold back from us to solve the fate of all of these men, men like Earl Coble who was beaten so severely by these three Cubans sent to teach the Vietnamese how to torture. Airman Coble was beaten actually insensate, into a catatonic state, and was taken away and died somewhere alone, shriveled up in that prenatal position where you go into when you are all alone, and you think your country and your friends have forsaken you, and you are going in and out of delirium. His remains were returned at some point during this agonizing 20 years this coming January that they slowly, the Communist government in Hanoi have given us these remains, slowly to keep the family members on what SAM JOHNSON today called a roller coaster ride. It is a fairly good metaphor. If you picture a roller coaster with only that first ride, the one where your nerves are built up with the click, click, click, and then you take the biggest dive of all, and imagine a roller coaster with nothing but that first ride, 100 of them over the last decade and a half, up and down, the family members up and down, their stomach being wrenched up and down, on again, off again.

□ 2220

When Mr. Yeltsin came here and announced that there may yet be live Americans somewhere in that Gulag prison camp system, I saw one, and I do not know whether she was a wife or a mother, probably a wife, because all of us have matured into middle age who were young when the Vietnam war started in earnest in 1963, and she said, "What did I think when I heard this?" She said just one thing, and she burst into tears as she said, "Oh, no, not again." That means over the top and down the gut-wrenching drop in the roller coaster ride that our Government has done, I do not think, a complete job to relieve this suffering of the family members.

So let me go back to from Corregidor, a few weeks before Corregidor fell on May 6, 16 Army Air Corps light bombers, B-25's named after the incomparable Billy Mitchell. They were loaded onto the deck of the *Hornet* which was to serve successfully in the Battle of Midway just 2 months later, less than 2 months later, and the *Hornet* sailed with its sister carrier the *Enterprise* out into the rough winter waters of the North Pacific and launched the 16 B-25's with precisely 5 men on each airplane, 80 heroes, led by a young lieutenant colonel who was nationally famous for civilian flying as well as military flying, the first man to fly on instruments in weather, first man to do an outside loop. I have still yet to do one of those.

An incredible man, just alive now at 95 years of age, still spry, retired in Carmel, CA, and just a true living legend. For all I know, he is listening tonight. I hope so. He does follow the Congress and has given money humbling a lot of us, some of us who have run for office.

Jimmy Doolittle was No. 1 airplane off.

Two months ago on the reenactment of these B-25's leaving a carrier on the U.S.S. *Ranger* out of San Diego, I got to meet the pilot of the new No. 2 airplane, and I cannot believe how young and vigorous this gentleman looks, Travis Hoover. Travis Hoover took off in the No. 2 airplane. The No. 7 went off, and I met the navigator; the Ruptured Duck, piloted by Ted Lawson, who was portrayed poignantly by Van Johnson in the movie that made Van Johnson a star, "Thirty Seconds Over Tokyo." Somebody hit the flap switch, and their flaps were up, and they are supposed to be down to give them lift, and they were the plane that we see on the blurred newsreel films to this day that dipped off the end of the carrier that everybody thought was going into the dark North Pacific Ocean, and it climbed out, and that was No. 7, the Ruptured Duck.

Then there were two other planes that took off that afternoon. It took 2 hours to get them all airborne, with kind of romantic World War II names. There was the "Bat out of Hell." They were the last airplane off, No. 16. And there was the "Green Hornet."

These two crews were the unluckiest out of all 16 crews in the 80 men that hit about eight targets in Imperial Japan and even bombed central Tokyo near the Emperor Hirohito's palace, and to put the young Emperor in jeopardy just disgraced the whole military

and changed all the war plans of that country, and made them decide that they would have to provoke the United States fleet within a few weeks and attack us at Midway, so the Doolittle raid was really the beginning of the Miracle at Midway.

Back to these two crews, to tie it into my prisoner-of-war theme tonight. I read from an article from one of these magazines, the style of historical journals that have been published for the last 10 years in America, all copying the great American Heritage hardcover that has been around all of my adult life. This one is American History, beautifully written articles.

Here is the one, and the cover story is from the March-April issue of the Doolittle raid. The story is called "Against All Odds."

I pick it up at the point of the "Bat out of Hell." Fortune turned its back on the crew of plane No. 16, "Bat out of Hell." After flying for over 13 hours, approaching the coast of China now, 200 miles into China, pilot William Farrow ordered his men to jump, put the plane on autopilot, and all came down in Japanese-held territory.

By the morning, the five flyers, Farrow, his copilot Robert Hite, navigator George Barr, bombardier Jacob DeShazer, and engineer-gunner, and each plane there was only one enlisted man, the engineer for the aircraft, the crew chief, and he also functioned usually as the tail gunner, Sgt. Harold Spatz. They were all prisoners.

Four of the B-25's, out of the 16, made forced landings in the water or attempting to land on the beach like the "Ruptured Duck" along the China coast. For example, Travis Hoover, who I met on the deck of the *Ranger* this last April, his bomber ran out of fuel near Japanese-held territory. His flight engineer-gunner, Douglas Radney, suggested over the intercom that, "We ought to stick together." So instead of ordering his crew to bail out, Travis Hoover belly-landed the B-25 on a hillside rice paddy. The crew members emerged unhurt, and after Hoover set fire to the bomber to destroy anything of use to the Japanese, they scrambled toward the west up into the hills.

Now comes the other unlucky plane, the "Green Hornet," piloted by Dean Hallmark. It sputtered. Its two engines failed 4 minutes short of the Chinese coast. Lieutenant Hallmark brought the plane down and ditched in the stormy sea. He did not want his men bailing out at night into the dark waters.

The impact tore off one wing, and the plane cartwheeled. Hallmark smashed completely through the windshield. After 4 hours in high waves, Hallmark, his copilot, Robert Meader, and navigator, Chase Nielsen, made it to the shore, cut, bleeding, and utterly exhausted. Two of their men had died, killed in action, bombardier, William Dieter, killed after action, and flight engineer-gunner, Donald FitzMorris. They had been seriously injured in the crash, lost their strength and drowned. Their bodies later washed ashore.

Local Chinese fishermen tried to hide the survivors. Three days later the Japanese soldiers captured all three of the living men, and their ordeal was just beginning. These were the only eight that the Japanese were to capture, the whole crew of the "Bat out of Hell" and the pilot, navigator, and the bombardier, not the bombardier, the copilot of the "Green Hornet."

Now, here is something that I had not known, and I thought I knew the full story of the Doolittle raid. The Japanese killed maybe as many as 10,000 Chinese in retribution for this raid, because Chinese had helped these men, as is shown in that classic film "Thirty Seconds over Tokyo." They leveled whole villages.

They would wrap fathers in blankets soaked in kerosene and make the wife set fire to the father of the family, making the children and the wife watch.

One hundred thousand Japanese troops descended on this area, shot, bayoneted, raped, drowned, and beheaded Chinese civilians and soldiers in numbers estimated in the tens of thousands. It was their way of warning the Chinese against helping American flyers in the future.

Now, here is what happened in the epilogue to the Tokyo raid. It was bitter. The Japanese held these eight men, and they would make them pay man by man. They moved the survivors of the "Green Hornet" and the "Bat out of Hell" to Tokyo; there, handcuffed and legcuffed, the flyers were placed in the hands of the Kempei Tai, the Japanese Army's military police who knew how to make a man wonder whether his life was worth living.

The interrogators beat the prisoners. They shouted the same questions at them over and over, "Where did you come from? Are you army soldiers? Why were you in China?" All this time they knew that they were Doolittle Raiders.

One of them, a survivor who is still alive today, navigator Chase Nielsen, said, "All I would tell them was, 'Lieutenant Chase J. Nielsen, 0419938.' They would smash me in the face again." He turns out to be the only survivor of the "Green Hornet."

The Japanese interrogators stretched Hallmark on a rack. They put bamboo poles behind copilot Hite's knees, and they forced him to squat, and they would jump up and down on his thighs in front. They suspended Nielsen by handcuffs from a peg on the wall, so that his toes were just off the floor. They bound wet towels over the mouths and noses of the eight flyers. These are prisoners of war, unknown to us in America at this point.

□ 2230

They nearly suffocated. They placed pencils between their fingers and crushed their fingers together. The soldiers stretched the men out on the floor, forced them to swallow water until they drowned and then they would jump on their stomachs, as many as five guards worked over each prisoner at a time.

The torture continued for more than 3 weeks. Resisting, the fliers told their interrogators that their planes had come from the Pacific Island, from China, from the Aleutians.

I was blindfolded, recalled DeShazer. I think he is still with us. They hit me. They asked me, how do you pronounce the letters *Hornet*? Who was Doolittle? How long is the deck of an aircraft carrier? And they beat me again.

Then one day the soldiers brought in the maps and charts obtained from the wreckage of the B-25. They had tortured the men in order to corroborate what they had known all along, that the B-25's had taken off from the U.S.S. *Hornet*.

Then they lived in miserable solitary confinement. Then some of them were put together and now it is August 28. The Americans are taken into a small courtroom where they underwent a mock trial. The 50th anniversary of this is coming up this August. A mock trial before Japanese officers. Pilot Hallmark lay on a stretcher. Barr was too weak to stand. The trial lasted 20 minutes. The judge read the verdict. The prisoners asked what their sentences were. The interpreter would not tell them. Unknown to the fliers, all had been condemned to death.

On October 14, Lieutenant Hallmark, Lieutenant Farrow and Sergeant Spatz were taken into a room one by one and they were told they would be executed the next day. The officers said they could write letters to their families.

What they did was execute the pilot of each airplane, and out of the eight, everyone was an officer except for Harold Spatz, the only enlisted man—why they did this, no one knows, but they executed the two officers and the one single enlisted man they had.

Twenty-three-year-old pilot Bill Farrow wrote in part to his mother in Darlington, SC:

> Mom, just remember that God will make everything right and that I will see you again in the hereafter.

To his father and mother in Robert Lee, TX, Dean Hallmark said:

> Try to stand up under this and pray. I don't know how to end this letter except by sending you all of my love.

Twenty-one-year-old Harold Spatz, Sergeant Spatz, wrote to his father in Lebo, KS. When I showed this to DUNCAN HUNTER here, this was the point where he looked up at me and said, "The middle class of our country is amazing."

That does not mean there were not some heroic young men born into privi-

lege who understood the Latin expression "Noblesse Oblige" and that went to privileged schools. Some went to West Point and Annapolis and also went into battle leading some of these incredible middle-class kids that fight most of our wars and fill most of the combat slots.

Harold Spatz wrote:

Dad, I want you to know I died fighting like a soldier. My clothes are all I have of any value. I give them to you, and Dad, I want you to know I love you. May God bless you.

The letters were not sent. After the war they were found in Japanese military files. The prison officials had just never sent them.

God is merciful that the parents did know their sons' last words.

On October 15, 1942, a black limousine entered the First Cemetery, that is its name, the First Cemetery grounds outside of Shanghai. Lieutenant Farrow, Lieutenant Hallmark, and Sergeant Spatz—if I were on a television show I would ask the camera to zoom in on this. Here is a picture of Sergeant Spatz after months of torture. His eyes are just too big black circles. He is still wearing his original uniform that he put on clean on the aircraft carrier that April morning the day before the raid. He is wearing his now very popular A-2 leather flight jacket. Amazing.

Here is a shot of the whole crew of the *Bat Out of Hell*. Sergeant Spatz does not look too bad here. Next to him is his pilot, two of those five to be executed.

October 15, they are taken into this cemetery. Prison guards marched the men to three small wooden crosses situated 20 feet apart. These were not Christian crosses to mark graves, although the men probably thought that. They were to be a rack to tie them to. The three Americans were made to kneel with their backs against the crosses. The guards removed their handcuffs, tied the prisoners' wrists backward to the crosspieces. They wrapped the upper portions of the men's faces with a white cloth, marking black x's just above their noses. A six-man firing squad took positions 20 feet in front of the Americans. At the count, they pulled the triggers. There was no need to fire a second time. Only two riflemen per prisoner, not very merciful.

The next day the other five Americans were led into a courtroom. The presiding officer read a long statement that they had been found guilty of bombing schools, hospitals. They tortured them until they got confessions of machine gunning civilians; but the Emperor had commuted their death sentences to life in prison.

Now, what happened to the remaining five prisoners? This was only known because four survived.

The prisoners drifted many nights into dreamlike states. They invented mind games, just like our prisoners in Hanoi.

Nielsen built a house in his mind brick by brick. This is what many of the prisoners did in the Hanoi prison system.

DeShazer wrote poems on an imaginary blackboard, racked by dysentery.

The copilot of Bat Out of Hell grew weaker. Then he contracted beri-beri. Excuse me. I want to get these actual details correct.

Meder is the copilot of the Green Hornet plane.

He grows weaker and weaker, gets beri-beri.

In a rare exercise period, Meder asked his navigator, Chase Nielsen, to pray for him.

On December 1, 1943, four of the five prisoners heard hammering. They were building a coffin. The next day at the same time they were escorted into Meder's cell. His body lay in a wooden coffin and a Bible the captors had mercifully given the men to trade with one another was on its lid.

Amid the encircling gloom of their cells, the men tried to find inner light.

Hite asked the chief guard for a Bible. Each of us, he recalls, read through the King James version for Lt. Bob Meder. It was passed from one cell to another from then on and it kept our spirits alive.

The thing that is sad about this is that the other four prisoners who died, we might not ever have known these stories. How many stories like this unfolded in the Gulag camps of the Soviet Union with prisoners from the Korean war?

Here is a list that I got from Senator BOB SMITH yesterday. This is a list that was given to the Senate Select Committee on Prisoners and held secret all these months while we ran it through every possible check. It was a list of 536 names which were described by the Russians as United States prisoners from the Korean war who were interrogated by the Soviets, some of whom were then sent to the not-too-tender mercies of the Chinese prison system, many of them never to be heard of again.

The reason these names were not released in February is that Senator KERRY, Democrat of Massachusetts, cochairman with BOB SMITH, the vice chairman, BOB SMITH of New Hampshire, they ran it through several steps.

One, they ran it against the American Battle Monuments Commission which has listed from the Korean war 8,182 missing men.

Then step 2. They gave it to the Archives of the United States and ran it against all the names of prisoners and missing from the Korean war in our U.S. Archives.

Then they compared the list from step one and two, and then step three they went to the Defense Department and they checked it against all the MIA, KIA, remains not recovered, captured, died of wounds, or injuries while in captivity, remains not recovered. A lot of that is by assumption.

According to the list from Russia, all these individuals actually survived their incidents and survived in captivity to be interrogated. Some of them were returned from captivity. That is step four that is going on as I speak here where we are going to try to find American POW's from the Korean war who got home, who are alive now, retiring or working throughout our country to say, do you recall being interrogated by the Russians? Were you flown for hours? Did you go to a Russian location? Did you go to Vladivostok, or somewhere beyond Manchuria on the Russia border?

The names that were survived every list are fascinating. Sgt. James H. Duncan, Army 1st Lt. Crenshaw H. Holt, Army Priv. Ralph E. King, U.S. Air Force S. Sgt. Clifford H. Mast, Mitchell C. Thomas, another Army Second Lieutenant. These names survived every check and cross-check and we are trying to find out from the Defense Department now what they think happened to these men. Just take Sergeant Duncan. He may have successfully bailed out and then been captured. His wife and children resided in Miami, FL, as of 1961. That is 31 years ago.

□ 2240

The 5-year-old child would now be 36. If you are watching the proceedings of the House floor tonight, we would like to hear from you.

Here again to emphasize this most ghastly of all military fates, to die as a prisoner like my closest friend in the Air Force, Dave Herlocker. In fact, he is dead. He was a prisoner in Laos for 5 years. Here is the date he went down on my bracelet, May 18, 1965, first F-105 Thunderchief pilot to get hit in Laos or North Vietnam. A known prisoner into 1970. What happened to Dave? What happened to the recon pilot, father of 5 children, Charlie Shelton? Charlie was shot down just 20 days before Dave in an unarmed reconnaissance aircraft. Charlie Shelton was kept in a cave with Dave at several points, and reportedly Charlie escaped twice and was shot both times, survived those wounds. Charlie's wife, a dear friend of mine and Marianne's, worked this issue for 25 years and then shot herself a year ago, October 4. She gave up the ghost, tried to rejoin Charlie, I guess.

What happened to Charlie Shelton? He is still carried as a colonel, a POW. The one POW who is on the books.

She got a full colonel's pay every month. So obviously she was not needing for money. She was a lost loyal wife of a quarter-century, trying to find the guy she had dedicated her life to.

Now his colonel's pay goes back, the children do not get that, but the chil-

dren have not given up hope. One of them is a Catholic Franciscan priest, who was a tiny little boy when his dad went down.

Here is what I learned reading, again, American History magazine. This time it is the July/August issue. It is an incredible story at Midway. I knew about the story about Ens. George Gay, the sole survivor of Commander Walgren's torpedo squadron No. 8 off the *Hornet*, that same *Hornet*. These same men who watched in awe as the B-25's took off to attack Tokyo. The entire torpedo squadron was on the deck along with the Dauntless scout bomber pilots and the F-4 Wildcats. They did not know that they themselves had less than a few weeks to live because the entire squadron except for George Gay, Ensign Gay, was wiped out. Gay was the only man who made it through the Zero fighter cover for the four Japanese carriers, the only man who made it through the flack batteries on the sides of the carriers, he actually overflew the *Ekagi*, I think, and got his torpedo off. But our weapons were not the best in those days. Our torpedoes were failing. All over the Pacific our torpedoes would be shot off by our submarines, get direct hits and not explode. So his torpedo did not get a hit. Ensign Gay stayed in the middle of the fire this whole battle. He described the burning Japanese carriers as a living hell, blow torches, flaming blow torches. When he was taken back to Midway to the hospital, Admiral Nimitz flew up from Hawaii, himself, to visit Gay. Gay kept telling Admiral Nimitz he was so shocked as this then-4-star admiral, eventually 5-star admiral, would come to visit him in the hospital.

He said, "I kept telling him, 'Admiral, you can forget about those three carriers. I saw them sink with my own eyes.'" He did not realize that the *Hiryu* was also sunk a few days later, the afternoon of June 4, 1942. Here are his exact words as the carriers nearest to him blazed red hot with flames and burned like a blow torch.

Well, I knew that George Gay story. That was in comic books and newspapers. He went on a war bond tour and went back into combat missions, as did George Bush, who went back after his second bailout and ditching and flew 10 more combat missions, to come up to 58. These were remarkable men who would keep going back into combat. I knew all about that story, but I did not know there was another sole survivor that we know of from the *Yorktown*'s torpedo planes. They lost 10 of 12, and the torpedo squadron No. 8 from the *Hornet* lost 15 of the 15. The VT-3 from the *Yorktown* lost 10 of 12. One of them that went in, a young pilot, Ens. Wesley Osmus, his back seater was killed by a Japanese Zero, his radioman/gunner, Benjamin Dotson, Jr., of North Carolina, simple family from the heartland of America. Ensign Osmus was from Chicago. He had been assigned to torpedo squadron 3 just before the ship sortied out from Pearl Harbor on May 30. He ends up trying to get away from the carrier action, he goes into the water. He is swimming around in the ocean and a historic Japanese ship, a destroyer, the *Arashi*, the *Arashi* was the destroyer that one of the great heroes of the Battle of Midway, one of the Dauntless dive bomber squadron pilots, Wade McCloskey, picked up by the *Arashi* within minutes of its plucking Osmus out of the ocean. He picks up the *Arashi*, which then full speed ahead sails to the north to try to rejoin the Japanese fleet. And it is by following the *Arashi* from the scene of the failed, tragically poignant failed torpedo bomber 3 squadron was decimated. Thirty-five airplanes shot down out of the 41 from the *Yorktown*, *Enterprise*, and *Hornet*. He follows the *Arashi* with Ensign Osmus on board, and it leads him right to the carriers. Then our dive bomber pilots begin to go in and destroy the four major carriers that had attacked Pearl Harbor. The other two that had attacked Pearl Harbor, the smaller ones, were up in the Aleutians and we got them later that same year. But these were the four major carriers, the *Akagi*, the *Kaga*, the *Soryu*, and then the *Hiryu* later that evening after its planes had crippled and mortally wounded the Yorktown, which went down 3 days later, on June 7.

So here is Osmus on board the *Arashi*. What happens to him? He is a prisoner in the midst of a pitched battle. Ensign Osmus was obviously under great duress. As the *Arashi* closed with the main force where the three carriers were now engulfed in flames from the torpedo bomber attacks, the flier may have concluded that the Japanese were no longer in a position to retaliate against the U.S. fleet. The magazine assumes that he decided to cooperate because in the Japanese records after the war, here was Ensign Osmus giving away information. I have to assume that he was tortured.

After several hours' confinement in a cabin aboard the *Arashi*, the young pilot was taken in the early evening to the stern of the ship where a senior petty officer named Kohachi Kondo, tries to execute him with a fire ax. Badly wounded, in mortal pain, clinging to the ship's railing, probably with Kondo standing there watching him suffer, as the blood drains out of his body and he loses his strength, he slips from the railing and falls into the ocean, which sealed his fate, probably, except for some men who drowned at sea, was the last American to die in the Battle of Midway.

We lost some on the explosions on the *Yorktown* over the next 2 days, the men trying to get it back underway.

But let us say the last aircrew certainly to die except for two others that meet an even more horrendous fate. Although the high-flying dive bombers that followed the torpedo planes into action against the carriers did not encounter resistance from Zeros as they began their attacks, all the Japanese carrier firepower had been pulled down to the naval battle below. So it gave the Dauntless dive bombers an unimpeded attack on the carriers. The *Enterprise*, were the first dive bombers to roll in, 33 of them, they began successful bombing runs. But they lost 18 aircraft. I had not known this until I read this article.

I did not know that the Dauntless lost so many. Eighteen out of 33.

One of the dive bombers lost in the action, after he hit his target, was Ens. Frank O'Flaherty. His crewman, Bruno Gaido, Bruno Peter Gaido, had been a squadron mechanic who distinguished himself during the early action in the Marshall Islands and had been promoted to aviation machinists mate 1st class for his courage. Young Lieutenant O'Flaherty—excuse me, I keep promoting these guys, and they are all ensigns in their first year of flying duty. Ensign O'Flaherty managed to place some distance between his plane and the Japanese fleet before being forced to land in the sea.

□ 2250

Although both he and Gaido sustained head wounds in the ditching, possibly when they hit the water they managed to inflate their life raft and climb into it. Unfortunately the two air crewmen had landed in the path of the retreating Japanese strike force, now heading home with their tail between their legs having lost one cruiser and all four of their carriers. It was late in the afternoon, so it is still June 4, and one of the Japanese cruisers, lookout, on the *Nagara*, spotted the men in their life raft. They should have done what George Gay did, let his life raft go, hide in the water under a piece of black oil cloth that he shaped into a V to look like wreckage, and he would peep through it at the burning carriers so he was lucky enough. Thirty hours in the water, to be picked up by a PBY, a patrol bomber, the next day, but these men were pretty observable in their yellow life rafts, so the Japanese heaved to drag them on board. The commander of the destroyer that picked him up, the *Makigumo*, *M-a-k-i-g-u-m-o*, their officers on board the ship were directed, and they found this in the Japanese files, to interrogate the prisoners to ascertain the enemy's situation and then dispose of them suitably, an ominous command. The ill-fated airmen were treated by a Japanese doctor, Itihiro Pakano, and then questioned by Lieutenant Katsumata. He died later in the war. Finance officer spoke English.

During this period the *Makigumo* futilely attempted, along with other

ships in the force, to defend the fleet's remaining, carrier *Hiryu*. Now imagine this, three Japanese carriers had turned into floating blow torches exploding all of their planes caught on the deck with their full load, switching from torpedoes, to high explosives, to go back and make a second wave attack, which they never did, on the installations in Midway, and this young, dauntless pilot and his backseat gunner, they helped to blow up the three carriers, and now they are on board a destroyer, trying to defend with its guns the successful United States Navy attack by the *Yorktown* pilots on the last Japanese carrier, the *Hiryu*. The destroyer's executive officer, Lieutenant Takashi Moroshi, later joined in the interrogation, that is, torture, during which Katsumata menaced the Americans with his sheath knife so the Japanese, unlike the Germans, never bragged about torture, but, when they say they are menacing with a sheath knife, believe me, that is just the beginning. Although neither flyer had ever been to Midway Island, their captors succeeded in obtaining considerable intelligence from them regarding the strength and disposition of Marine, Naval and Air Forces on the strategic island, and this magazine, I am sorry to say, speculates that the exact motivation for the two U.S. aviators to yield this information to their captors remains unknown.

No, it does not. They were tortured. Young Naval officers, after just having blown up aircraft carriers, knowing that they won the battle, they are not going to cop out without undergoing serious torture, as in the case of Ensign Osmus. The American captors may have thought that providing apparently useless information, considering the destruction of the carriers that they witnessed, would save their lives. Sadly this did not happen. A *Makigumo* officer on the destroyer testified after the war that Commander Fujita, the destroyer's commanding officer, told his fellow officers, "I don't want to shoot them or kill them with a sword. We got them from the sea. Let's throw them back into it."

Four to six days had passed, so it may be now June 10. By this time the entire 48 United States; only had Continental 48 then, are celebrating this incredible Navy victory that from that moment turned the entire war in the Pacific, even though the landings at Guadalcanal were months away. That was August 7, the landing November 20 of the—43 was a year and a half away on the island of Tarawa, but this was the turning point, greatest naval battle in history.

They took these men, blindfolded them, bound them with ropes, took them up on the deck, tied weighted fuel cans preparatory to throwing them overboard, but contrary to Fujita's wishes, numerous crewmen witnessed, and I am not Japan-bashing here. This was a nation won by war lords, and their young enlisted men had enough honor that the officers did not want the enlisted men to see this dishonorable treatment of helpless prisoners of war, so they stopped and took them back to their torture cabin, and then, when it was dark, late that night, O'Faherty and Bruno Peter Gaido again were brought on deck, and this time their cold-blooded murder was carried out most likely by petty officers named Kanda, Nakasawa and Sato. I will give all those names to our recorders here.

All these three petty officers were killed during the war. The destroyer *Makigumo* itself sank in 1943 after hitting a mine off Guadalcanal. Yes, Katsumata and Takano also died during the war, but Lieutenant Namba, the *Makigumo*'s engineering officer, testified that Commander Fujita told him he had been reprimanded by his superiors for killing American prisoners of war. That is interesting since the Bataan Death March was going on at this time, or a few weeks before, and they killed thousands.

As in the case of Osmus' death, unfortunately nobody was ever brought to trial for this wanton murder of helpless prisoners. Later in the war the U.S. Navy named destroyers after Osmus and O'Flaherty and posthumously awarded both pilots the Navy Cross. Gaido posthumously received the Distinguished Flying Cross. At this point I have to apologize for the Navy that I love because that was a little bit of elitism, the Navy man, the enlisted man, does not get his ship named after him, and he ends up with the DFC and not the Navy Cross. If I had the power, I would have given a posthumous Navy Cross to Bruno Gaido and named a destroyer after him, the next one to come off the shipyards anywhere in this country.

Given the number of downed U.S. planes in the midst of the enemy fleet, other Americans may also have survived long enough to suffer the same fate as Ensigns Osmus and O'Flaherty, and Petty Officer/Machinist, Aviation Machinist, Gaido. If so, their final hours are lost to history.

When I read those words: "Their final hours are lost to history" it comes to my mind immediately Vietnam, cold war, Korea, and this POW issue that Mr. Yeltsin has brought so horribly, poignantly back into focus in our country which creates again this hellish, psychological torture roller coaster ride for all the prisoners' families. No, not again.

As my colleagues know, over here in Langley, VA, is the big magnificent headquarters for our Central Intelligence Agency. In the beautiful marble foyer, it is a big open hallway, and up on the wall are the names of all the CIA men that have given what Lincoln called the full measure of devotion in acquiring intelligence during this very rough cold war, and some of the names up there might be known to my colleagues.

Dick Welsh. He was outed by a Notre Dame graduate. His name mercifully escapes me. The slime is living in Hawaii or Cuba now, but this man who disgraced his Catholic upbringing dumped his faith and went over to the enemy side. He put in a magazine that the CIA station chief in Athens was Richard Welsh. He was blown up, murdered, within the month. That was a publication in this short-lived, traitorous magazine called—I do not know what it was called. That name is up there with a Gold Star, Richard Welsh, but there are some stars up there with no names, just a blank space, and a few months ago I said to our excellent Director of the Central Intelligence Agency, Bob Gates, I said, "Please, Bob, put the men's names up there." I mean every time I have asked over my 15 years of service here they say to me, "Well, we have got ongoing operations in those countries."

I say, "For example, you mean these men were killed in Hungary? We still have operations in Hungary, so 40 years later a compromise to those operations?"

Well, Hungary is a free country now. So with all the East European countries. Maybe if it was a U-2 pilot that went down in China, that name cannot be released.

Director Gates said to me, "OK, Congressman. I'm going to see if we can't start to release these names."

Do my colleagues know that these men all have posthumous, highest decorations, from the Central Intelligence Agency, and there are wives who may be gone to heaven by now or are in their fifties, sixties, seventies. Their moms and dads, if they are alive, are maybe in their seventies, eighties, nineties. The family members, the children now in their early thirties, forties, fifties, do not know the heroic circumstances of the deaths of these great CIA agents that helped to win the cold war.

That is what we mean when we say the cold war, these and the reconnaissance pilots, other people scarfed up around the fringe of the evil empire; did they die alone like these men? Are we going to find KGB records where we can know the final agonizing hours of these men who gave the full measure of devotion and died alone in some stinking gulag cell or maybe in Lubijank Prison itself?

□ 2300

That is why the four of us in this Chamber and the other Commission members like JOHN MILLER, who spoke so beautifully earlier about the process going awry here, and BOB SMITH, and Senator KERREY over in the other

body, that is why we have to see this thing through to its proper conclusion, even, Mr. Speaker, if it means bringing home small boxes of heroes' bones from unmarked graves, identifying them by dental charts from 40 or 50 years ago, and giving these men a hero's internment at Arlington or their hometown cemeteries.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RIDGE (at the request of Mr. MICHEL), for June 23, on account of personal reasons.

Mr. HYDE (at the request of Mr. MICHEL), from 5:30 p.m. today, on account of family medical reasons.

Mr. MCNULTY (at the request of Mr. GEPHARDT), for June 23 and today, on account of important family matters.

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 Mrs. BENTLEY) to revise and extend their remarks and include extraneous material:)

Mr. MICHEL, for 60 minutes each day, on June 29 and 30, and July 1.

Mr. WALKER, for 60 minutes each day, on today and June 25.

Mr. RIGGS, for 60 minutes, on June 25.

Mr. DOOLITTLE, for 60 minutes, today.

Mr. COLEMAN of Missouri, for 5 minutes, today.

Mr. DUNCAN, for 5 minutes, today.

Mr. MCDADE, for 60 minutes, on August 3.

Mr. BEREUTER, for 5 minutes, today.

Mr. FRANKS of Connecticut, for 5 minutes, today.

Mr. KYL, for 5 minutes, today.

Mr. BALLENGER, for 5 minutes, today.

Mr. SANTORUM, for 60 minutes, today.

Mr. NUSSLE, for 60 minutes, today.

Mr. HASTERT, for 60 minutes each day, on today and June 25, 26, 29, and 30, and July 1 and 2.

Mr. GOSS, for 60 minutes, on June 30.

Mr. WELDON, for 5 minutes, today.

Mrs. BENTLEY, for 5 minutes, today.

Mrs. BENTLEY, for 60 minutes, on June 29.

(The following Members (at the request of Mr. TAYLOR of Mississippi) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. TAYLOR of Mississippi, for 5 minutes, today.

Mr. HAYES of Illinois, for 5 minutes, today.

Mr. MURTHA, for 60 minutes, on August 3.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. BENTLEY) and to include extraneous matter:)

Mr. LENT.

Mr. LIGHTFOOT.

Mr. KYL.

Mr. DUNCAN.

Mr. MORRISON.

Mr. WELDON.

Mr. ZIMMER in two instances.

Mr. HANCOCK.

Mr. GILMAN.

Mr. COX of California.

(The following Members (at the request of Mr. TAYLOR of Mississippi) and to include extraneous matter:)

Mr. LIPINSKI.

Mr. TRAFICANT in two instances.

Mr. TORRICELLI.

Mr. ORTIZ.

Mr. ACKERMAN.

Mr. WISE.

Mr. LANTOS.

Mr. KANJORSKI.

Mr. WOLPE.

Mr. WILLIAMS.

Mr. LEVINE of California.

Mr. RICHARDSON.

Mr. SABO.

Mr. WEISS.

Mr. SCHEUER.

Mr. LAUGHLIN.

Mr. VENTO.

Mr. HAMILTON.

Mr. MOODY.

Mr. REED.

Mr. TOWNS.

Mr. HOCHBRUECKNER in two instances.

Mr. SERRANO.

Mr. DOWNEY.

Mr. SLATTERY.

Mr. DYMALLY.

Mr. ASPIN.

Mr. GLICKMAN.

SENATE JOINT RESOLUTIONS AND CONCURRENT RESOLUTION REFERRED

Joint resolutions and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 221. Joint resolution providing for the appointment of Hanna Holborn Gray as a citizen regent of the Smithsonian Institution; to the Committee on House Administration.

S.J. Res. 259. Joint resolution providing for the appointment of Barber B. Conable, Jr. as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

S.J. Res. 275. Joint resolution providing for the appointment of Wesley Samuel Williams, Jr. as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

S. Con. Res. 112. Concurrent resolution to authorize printing of "Thomas Jefferson's Manual of Parliamentary Practice", as prepared by the Office of the Secretary of the Senate; to the Committee on House Administration.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. ROSE. from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2818. An act to designate the Federal building located at 78 Center Street in Pittsfield, Massachusetts, as the "Silvio O. Conte Federal building", and for other purposes;

H.R. 3041. An act to designate the Federal building located at 1520 Market Street, St. Louis, Missouri, as the "L. Douglas Abram Federal Building";

H.R. 4548. An act to authorize contributions to United Nations peacekeeping activities; and

H.J. Res. 509. Joint resolution to entend through September 30, 1992, the period in which there remains available for obligation certain amounts appropriated for the Bureau of Indian Affairs for the school operations costs of Bureau-funded schools.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2703. An act to authorize the President to appoint General Thomas C. Richards to the Office of Administrator of the Federal Aviation Administration.

ADJOURNMENT

Mr. DORNAN of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 1 minute p.m.) the House adjourned until tomorrow, Thursday, June 25, 1992, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3808. A letter from the Secretary of Education, transmitting notice of final funding priority—Technology, Educational Media, and Materials for Individuals with Disabilities Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3809. A letter from the Secretary of Health and Human Services, transmitting the Annual Sudden Infant Death Syndrome [SIDS] Research Program Report; to the Committee on Energy and Commerce.

3810. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions of Richard H. Solomon, of Maryland, to be Ambassador to the Republic of the Philippines, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3811. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3812. A letter from the Secretary of the Treasury, transmitting the Secretary's semiannual report, covering the period October 1,

1991 through March 31, 1992, pursuant to Public Law 95-452, section 5(b), (102 Stat. 2526); to the Committee on Government Operations.

3813. A letter from the Secretary of Defense, transmitting the Department's semiannual report to Congress on audit, inspection, and investigative activities for the 6-month period ending March 31, 1992, pursuant to Public Law 95-452, section 5(b) (102 Stat. 2526); to the Committee on Government Operations.

3814. A letter from the Secretary of Education, transmitting the sixth semiannual report to Congress on audit follow-up, covering the period from October 1, 1991 through March 31, 1992, pursuant to Public Law 95-452, section 5(b) (102 Stat. 2526); to the Committee on Government Operations.

3815. A letter from the Assistant Vice President (Human Resources), Western Farm Credit Bank, transmitting the fiscal year 1991 annual pension plan report of the Western Farm Credit Bank, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

3816. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3817. A letter from the Secretary, Department of Transportation, transmitting the annual report to Congress on transportation security, pursuant to Public Law 101-604, section 102(a) (104 Stat. 3068); to the Committee on Public Works and Transportation.

3818. A letter from the Secretary of Health and Human Services, transmitting the Secretary's report on the operation of utilization and quality control peer review organizations for fiscal year 1989, pursuant to 42 U.S.C. 1320c-10; jointly, to the Committees on Energy and Commerce and Ways and Means.

3819. A letter from the Secretary of the Treasury, Director of Office of Management and Budget, transmitting a draft of proposed legislation entitled, "Federal Credit and Debt Management Act of 1992"; jointly, to the Committees on the Judiciary and Ways and Means.

3820. A letter from the National Oceanic and Atmospheric Administration, transmitting a copy of the report "Review of FY 1993 Agency Requests for Appropriations to Support Marine Pollution Research, Development, and Monitoring Programs," pursuant to 33 U.S.C. 1703(a); jointly, to the Committees on Merchant Marine and Fisheries and Science, Space, and Technology.

3821. A letter from the Secretary of Transportation, transmitting the Secretary's determination that Ezeiza International Airport [EZE], Buenos Aires, Argentina, was not maintaining and administering effective security measures; jointly, to the Committees on Public Works and Transportation and Foreign Affairs.

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. ROE: Committee on Public Works and Transportation. H.R. 4438. A bill to designate the Federal building located at 501 West Ocean Boulevard in Long Beach, CA, as the "Glenn M. Anderson Federal Building" (Rept. 102-611). Referred to the House Calendar.

Mr. ROE: Committee on Public Works and Transportation. H.R. 5222. A bill to designate the Federal building and U.S. courthouse located at 204 South Main Street in South Bend, IN, as the "Robert A. Grant Federal Building and United States Courthouse" (Rept. 102-612). Referred to the House Calendar.

Mr. WHEAT: Committee on Rules. House Resolution 500. Resolution waiving the requirement of clause 4(b) of rule XI, against consideration of certain resolutions reported from the Committee on Rules (Rept. 102-613). Referred to the House Calendar.

Mr. HALL of Ohio: Committee on Rules. House Resolution 501. Resolution providing for consideration of the bill (H.R. 5368) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1993, and for other purposes (Rept. 102-614). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COX of California (for himself and Mr. HUNTER):

H.R. 5473. A bill to authorize a land exchange involving the Cleveland National Forest, CA, and a corresponding boundary adjustment for the forest, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EDWARDS of Oklahoma:

H.R. 5474. A bill to amend the Trade Act of 1974 to require the U.S. Trade Representative to restrict the importation into the United States of goods and services from nations that do not maintain open markets to U.S. goods and services, do not refrain from government subsidies or other intrusive trade practices with respect to goods and services exported to the United States from such nation, and do not extend reciprocal treatment to goods and services exported from the United States to such nation; to the Committee on Ways and Means.

By Mr. HUGHES (for himself, Mr. MOORHEAD, Mrs. SCHROEDER, Mr. FRANK of Massachusetts, Mr. BOUCHER, Mr. COBLE, Mr. FISH, and Mr. SENSENBRENNER):

H.R. 5475. A bill providing policies with respect to approval of bills providing for patent term extensions, and to extend certain patents; to the Committee on the Judiciary.

By Mr. LAFALCE (for himself, Mr. NOWAK, Mr. PAXON, Mr. HOUGHTON, Mr. HORTON, and Mr. MCHUGH):

H.R. 5476. A bill to provide for the minting of coins to commemorate the World University Games; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MORAN:

H.R. 5477. A bill to amend title 13, United States Code, to require that the population characteristics reflected in interim data collected by the Secretary of Commerce between decennial censuses include data relating to urban, rural, below-poverty, and farming populations; to the Committee on Post Office and Civil Service.

By Mr. MORAN (for himself, Mr. SHAW, Mr. THOMAS of Georgia, Mr. MCCURDY, Mr. HEFNER, Mr. BILIRAKIS, Mr. LAUGHLIN, Mrs. LLOYD, Mr. MONTGOMERY, Mr. GOSS, Mr. RAY, Mr. SPENCE, Mr. SISISKY, Mr. HAYES of Louisiana, Mr. BROWDER, Mr. PETERSON of Florida, Mr. FROST, Mr. CRAMER, Mr. HARRIS, Mr. SPRATT, Mr. BACCHUS, Mrs. PATTERSON, Mr. ORTIZ, Mr. JENKINS, Mr. COLORADO, and Mr. GEREN of Texas):

H.R. 5478. A bill to require that, in the administration of any benefits program established by or under Federal law which requires the use of data obtained in the most recent decennial census, the 1990 adjusted census data be considered the official data for such census; to the Committee on Post Office and Civil Service.

By Mr. MORAN:

H.R. 5479. A bill to designate the facility of the U.S. Postal Service located at 1100 Wythe Street in Alexander, VA, as the "Helen Day United States Post Office Building"; to the Committee on Post Office and Civil Service.

By Mr. MORRISON:

H.R. 5480. A bill to authorize the Secretary of Agriculture to convey certain real property in the Wenatchee National Forest, Washington, to the Public Utility District No. 1 of Chelan County, WA, in exchange for other real property; to the Committee on Interior and Insular Affairs.

By Mr. OBERSTAR:

H.R. 5481. A bill to amend the Federal Aviation Act of 1958 relating to administrative assessment of civil penalties; to the Committee on Public Works and Transportation.

By Mr. OWENS of New York:

H.R. 5482. A bill to revise and extend the programs of the Rehabilitation Act of 1973, and for other purposes; to the Committee on Education and Labor.

H.R. 5483. A bill to modify the provisions of the Education of the Deaf Act of 1986, and for other purposes; to the Committee on Education and Labor.

By Mr. SLATTERY:

H.R. 5484. A bill to provide for the establishment of the Civil Rights in Education: Brown versus Board of Education National Historic Site in the State of Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STARK:

H.R. 5485. A bill to amend the Internal Revenue Code of 1986 to disallow any deduction for amounts paid or incurred for certain prescription-related advertisements, and for other purposes; to the Committee on Ways and Means.

By Mr. THOMAS of Georgia (for himself, Mr. JONES of North Carolina, Mr. SCHULZE, and Mr. LEHMAN of California):

H.R. 5486. A bill to clarify the law enforcement authority of law enforcement officers of the U.S. Fish and Wildlife Service; to the Committee on Merchant Marine and Fisheries.

By Mr. HAYES of Louisiana:

H.J. Res. 514. Joint resolution to encourage a national policy enhancing commercial financial liquidity for the promotion of a speedy and robust economic recovery; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HEFLEY:

H. Res. 502. Resolution to amend the rules of the House of Representatives to provide for reform of the House of Representatives, and for other purposes; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 371: Mr. GILCHREST.
H.R. 1077: Mr. TAYLOR of North Carolina.
H.R. 1134: Mr. BUSTAMANTE.
H.R. 1200: Mr. HAMILTON, Mr. BEREUTER, and Mr. WILSON.
H.R. 1246: Mr. VENTO.
H.R. 1321: Mr. FROST, Ms. NORTON, and Mr. PERKINS.
H.R. 1623: Mr. LEHMAN of California.
H.R. 1753: Mr. VISCLOSKY.
H.R. 1900: Mr. COBLE and Mr. TOWNS.
H.R. 2164: Mr. BARNARD and Mr. HASTERT.
H.R. 2200: Mr. GINGRICH.
H.R. 2223: Mr. MOODY and Mr. MCHUGH.
H.R. 2580: Mr. BONIOR, Mr. OBERSTAR, and Mr. RANGEL.
H.R. 2862: Mr. SKEEN, Mr. MCCOLLUM, Mr. SCHIFF, and Mr. ZELIFF.
H.R. 3026: Mr. STUDDS.
H.R. 3221: Mr. MYERS of Indiana, Mr. MCCURDY, Mr. JACOBS, and Mr. BUSTAMANTE, Mr. BOEHNER, Mr. JOHNSTON of Florida, Mr. SMITH of Texas, Mr. MCEWEN, Mr. JAMES, Mr. JONES of Georgia, Mr. ROHRABACHER, and Mr. LUKEN.
H.R. 3441: Mr. COMBEST.
H.R. 3462: Mr. PETERSON of Minnesota, Mr. KILDEE, Mr. WELDON, Mr. MILLER of California, Mr. THOMAS of Georgia, and Mr. LEWIS of Georgia.
H.R. 3626: Mr. SABO.
H.R. 3627: Mr. OLVER.
H.R. 3939: Mr. TORRICELLI and Mr. CAMPBELL of Colorado.
H.R. 3967: Mr. COMBEST.
H.R. 4099: Mr. DELAY.
H.R. 4109: Mr. MOLLOHAN.
H.R. 4208: Mrs. UNSOELD.
H.R. 4214: Mr. OWENS of New York, Mr. LAGOMARSINO, Mrs. LOWEY of New York, Mr. GEREN of Texas, and Mr. WILLIAMS.
H.R. 4229: Mr. BUSTAMANTE.
H.R. 4275: Mr. DOWNEY and Mr. CRANE.
H.R. 4305: Mr. LAGOMARSINO.
H.R. 4399: Mr. MAVROULES.
H.R. 4418: Mr. FROST, Mr. MCMILLEN of Maryland, Mr. PACKARD, and Mr. HORTON.
H.R. 4427: Mr. MACHTLEY.
H.R. 4493: Mr. FISH.
H.R. 4564: Mr. FIELDS.
H.R. 4700: Mr. BUSTAMANTE, Mr. ZELIFF, and Mr. FEIGHAN.
H.R. 4724: Mr. ASPIN, Mr. BORSKI, Mr. BROWDER, Mr. NEAL of North Carolina. Mr. PICKETT, and Mr. TALLON.
H.R. 4754: Mr. BUSTAMANTE.
H.R. 4839: Mr. PETERSON of Minnesota.
H.R. 4846: Ms. PELOSI, Mr. LIPINSKI, Mr. BUNNING, Mr. HAYES of Illinois, Mr. TOWNS, and Mr. WELDON.
H.R. 4897: Mr. RIGGS.
H.R. 5026: Mr. PERKINS and Mr. BEREUTER.
H.R. 5090: Mr. OXLEY, Mr. GALLO, and Mr. ZELIFF.
H.R. 5209: Mr. LEHMAN of California.
H.R. 5237: Mr. HANCOCK and Mr. SKELTON.
H.R. 5258: Mr. HOBSON, Mr. KOLBE, Mr. LAGOMARSINO, Mr. MACHTLEY, Mr. MILLER of Ohio, Mr. UPTON, Mr. WELDON, Mr. BLACKWELL, Mr. BILBRAY, Mr. ENGEL, Mr. JEFFERSON, Mr. DORGAN of North Dakota, Mr. FROST, Mrs. KENNELLY, Mr. LANCASTER, Mr. PETERSON of Minnesota, and Mr. REED.
H.R. 5294: Mr. SYNAR.
H.R. 5307: Mr. IRELAND, Mr. TALLON, Mr. FROST, Mr. LANCASTER, Mr. JOHNSTON of Florida, and Mr. RAY.
H.R. 5316: Mr. MORRISON.
H.R. 5320: Mr. KOLTER.
H.R. 5323: Mr. HORTON and Mr. FROST.
H.R. 5360: Mr. JEFFERSON.
H.R. 5378: Mr. WHEAT.
H.R. 5385: Mr. FRANK of Massachusetts, Mr. KLECZKA, Mr. LIPINSKI, and Mr. FROST.
H.R. 5405: Mr. PETERSON of Minnesota, Mr. SMITH of Florida, Mr. JOHNSON of South Dakota, and Mr. BILIRAKIS.
H.R. 5421: Mr. BARRETT and Mr. RITTER.
H.R. 5424: Mrs. MORELLA, Mr. OWENS of Utah, Ms. PELOSI, Mr. SIKORSKI, Mr. BEILENSON, Mr. BLACKWELL, Mr. FEIGHAN, Mr. SCHEUER, and Mrs. UNSOELD.
H.J. Res. 122: Mr. ROGERS.
H.J. Res. 336: Mr. BUSTAMANTE.
H.J. Res. 399: Mr. JOHNSON of South Dakota and Mr. BATEMAN.
H.J. Res. 415: Mr. NAGLE, Mr. CHAPMAN, Mr. MCDADE, Mr. RITTER, Mr. POSHARD, Mr. TAYLOR of Mississippi, and Mr. DEFAZIO.
H.J. Res. 440: Mr. BUSTAMANTE, Ms. DELAURO, Mr. HAYES of Illinois, Mr. HORTON, Mr. LAFALCE, Mr. MOAKLEY, Mr. NEAL of North Carolina, and Mr. PETERSON of Minnesota.
H.J. Res. 450: Mr. HAYES of Illinois, Mr. PARKER, Mr. HUNTER, Mr. CLEMENT, Ms. DELAURO, Mr. ERDREICH, Mr. MCCANDLESS, Mr. KANJORSKI, Mr. BILIRAKIS, and Mr. KOLTER.
H.J. Res. 455: Mr. SLATTERY, Ms. NORTON, Mr. DELLUMS, Mr. MAVROULES, Mr. ORTON, and Mr. FROST.
H.J. Res. 461: Mr. TRAFICANT, Mr. FEIGHAN, and Mr. LEVINE of California.
H.J. Res. 476: Mr. JOHNSON of South Dakota.
H.J. Res. 483: Mr. FROST, Mr. GUARINI, and Mr. MCCANDLESS.
H.J. Res. 486: Mr. KENNEDY, Mr. MATSUI, Mr. PAYNE of New Jersey, Mr. OWENS of Utah, Mr. CARR, Mr. HUCKABY, Mr. DE LUGO, Mrs. BYRON, Mr. HALL of Ohio, Mrs. COLLINS of Illinois, Mr. VALENTINE, Mrs. LOWEY of New York, Mr. DEFAZIO, Ms. DELAURO, Mr. POSHARD, Mr. MOORHEAD, Mr. ALEXANDER, Mr. ANDERSON, and Mr. MACHTLEY.
H.J. Res. 489: Mr. MATSUI, Mr. STAGGERS, Mr. ARCHER, Mr. THOMAS of Georgia, Mr. COLEMAN of Texas, Mr. PICKLE, Mr. MILLER of Washington, Mrs. UNSOELD, Mr. MCMILLEN of Maryland, Mr. NEAL of Massachusetts, Mr. VOLKMER, Mr. KOPETSKI, and Mr. UPTON.
H.J. Res. 493: Mr. SPRATT, Mr. BUSTAMANTE, Mrs. MEYERS of Kansas, Mr. TORRICELLI, Mr. GUNDERSON, Mr. MCNULTY, Mr. ROE, and Mr. NEAL of North Carolina.
H.J. Res. 508: Mr. TOWNS, Mrs. MEYERS of Kansas, Mr. LAGOMARSINO, Mr. SWETT, Mr. FOGLIETTA, Mr. LEHMAN of Florida, Mr. MFUME, Ms. DELAURO, Ms. MOLINARI, and Mr. HAYES of Illinois.
H. Con. Res. 179: Mr. VANDER JAGT.
H. Con. Res. 246: Mr. LANCASTER, Mr. TAUZIN, and Mr. CARR.
H. Con. Res. 307: Mr. BUSTAMANTE.
H. Con. Res. 335: Mr. MCCOLLUM.
H. Res. 297: Ms. DELAURO.
H. Res. 388: Mr. ENGEL, Mr. GREEN of New York, and Mr. BUSTAMANTE.
H. Res. 415: Mr. MURPHY, Mr. MCCOLLUM, Mr. BORSKI, Mr. ACKERMAN, Mr. WEISS, Mr. MCDADE, and Mr. REGULA.
H. Res. 417: Mr. ROE and Mr. BUSTAMANTE.
H. Res. 472: Mr. ZELIFF, Mr. ALLEN, and Mr. CRANE.

EXTENSIONS OF REMARKS

TURKEY'S IMPORTANT NEW ROLE

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. MOODY. Mr. Speaker, as many of you know, I have undertaken over the past many months in a series of speeches and "Dear Colleague" letters to raise issues that I believe should be of interest to all who are following the unfolding events in and around the former Soviet Republics of Central Asia.

Today I would like to share with the House two recent items. The first is a letter to the Washington Post on June 23, 1992, from Ambassador Nuzhet Kandemir of the Republic of Turkey regarding Turkey's rising concerns over the hostilities between Armenia and Azerbaijan. Specifically, the Turkish Ambassador raises several valid criticisms of a recent Post story that ignored the military aggression by Armenian forces against Azerbaijan.

And second, in order to appreciate the context and to provide background for Turkey's broad interest in this matter, and in the newly emerging Turkic-speaking nations of Central Asia, I am also attaching an article from the Los Angeles Times of May 19, 1992, entitled "Turkey Emerges as West's Influential Bridge to East."

I urge Members to consider these two articles carefully. The United States has a strong political, trade and security interest in strengthening, and supporting democratic institutions and government structures in these emerging countries. Largely Muslim and predominantly Turkic-speaking peoples from Bulgaria to Kirghizistan and beyond will look to Turkey and the United States for inspiration, or—if we fail to respond—to the radical and antidemocratic doctrines of fundamentalist, theocratic regimes like Iran or politico-terrorist states like Libya and Syria.

[From the Washington Post, June 23, 1992]

ARMENIA'S "NAKED AGGRESSION"

It is interesting that the slant of the June 10 news story on the Azeri-Armenian conflict was decidedly pro-Armenian. Previous Post articles on the conflict were much more balanced, whereas this one was inaccurate to the point of misrepresentation.

For instance, the bunker that the Armenian militiamen in the story are occupying was not only dug by Azerbaijanis, it lies within the borders of Azerbaijan—on Mil Hill to be precise. Thus when the "housewife" militiaman says, "It is our land down there," she is reiterating the expansionist policies that brought Armenian forces into Azerbaijan and keep them there.

The place names that the author cites—Nakhichevan, Nagorno-Karabagh, Shusha and Khojaly—as having become battle cries, "with hundreds dead on both sides and tens of thousands of refugees," all lie within Azeri territory. I might add that Khojaly and Shusha were the scenes of indescribable atrocities inflicted on the Azeris by the Armenians. Pictures of this appeared in most major American media, including The Post.

The author never points this out. Nor does she bother to explain how the Armenian aggression into Nakhichevan and Azerbaijan contravenes every principle of international law and order. She does not mention the outcry in the Conference on Security and Cooperation in Europe, NATO and the European Community against it. Indeed, the United States, Germany and other world powers have repeatedly called upon the Armenian leadership to stop its naked aggression against a country unable, at this time, to defend itself.

Yet the article seems to condone Armenia's grabbing land by force from a neighbor undergoing a difficult political transformation, and portrays sympathetically the Armenian militia volunteers occupying Azerbaijan.

The article also includes, without noting their controversial nature, the allegations that the Armenians were the subject of genocide under the Ottoman Empire. I have written to The Post several times outlining the position of scholars specializing in Ottoman studies. These scholars contend that 2 million Turks and several hundred thousand Armenians fell victim to the Armenian-initiated civil war during World War I through famine, epidemics and intercommunal violence. For seven decades, the Armenians have chosen to portray that tragedy as unique to them. Now some are attempting to portray the Armenian Republic's lust for Azeri lands as somehow justifiable. It is not.

NUZHET KANDEMIR,
Ambassador,
Republic of Turkey.

WASHINGTON.

[From the Los Angeles Times, May 19, 1992]

TURKEY EMERGES AS WEST'S INFLUENTIAL BRIDGE TO EAST

(By William D. Montalbano)

ANKARA, TURKEY.—It is an adventuresome, historic spring for Turkey. The prime minister, the national airline, diplomats, businessmen, Big Bird and the Cookie Monster have all been dispatched on voyages of exploration to uncharted lands of Central Asia.

Turkey is shaking off decades of Cold War aloofness, emerging as a new regional power at a volatile and busy international crossroads.

It is testing new muscles in direct competition with Iran and China for friends and customers across a broad swath of awakening Central Asia.

There are questions about the dollars-and-cents benefits for Turkey. But for a still-poor nation sprung from the ruins of an empire, the new role swells national pride.

From the sidelines, the United States and Western Europe applaud the growing Turkish shadow, which also newly extends into the Balkans and the Middle East.

Medetkan Sherimkulov, agape at the glitter of a swirling hotel lobby here, is a man of these new Turkic times. He looks Chinese but turns out to be the affable chairman of the Supreme Soviet of the Republic of Kyrgyzstan, a poor, remote and newly independent shard of the former Soviet Union.

Kyrgyzstan has 4.4 million people, a 640-mile border with China, an official language and alphabet imposed for 70 years from Moscow, development needs uncounted—and a long-lost friend in the West with whom to share new dreams.

"The Turks are our brothers," Sherimkulov said. "We share the same blood, the same religion and the same language. This is the motherland. It can help us in all things."

Sherimkulov had come to the Turkish capital at the head of an official delegation looking for all-in-the-family economic help and to enroll bright Kyrgyz students on scholarships at Turkish universities. In independence, Kyrgyzstan and its neighbors want an alternative to dominance by Russia.

A pleased if somewhat bemused beneficiary of the collapse of the Soviet Empire, Turkey is embarked on a full-court press to extend its influence east and west to Turkic lands and communities so long cut off from Western influences.

For decades the eastern flank of NATO, Turkey suddenly offers the West the prospect of a relatively sturdy bridge eastward to little-known, volatile, unstable new nations hungry for change. But its spreading of the gospel of Western political and economic values to the East also improves Turkey's standing in the West; there this valued American ally is seeking membership in the European Community.

In five Islamic former Soviet republics extending in a long and lonely arc from the Caspian Sea to the Chinese border, there are Turkic majorities: Azerbaijan, Turkmenistan, Uzbekistan, Kazakhstan and Kyrgyzstan. There is also a 30-percent Turkic minority in Tajikistan, where the majority speaks a Persian-related language and the Turkish-Iranian struggle for influence is particularly marked.

Turkey, a republic sprung from the remains of the Ottoman Empire, spent decades studiously ignoring neighborhood spats. But it emerged as a major allied player in last year's Gulf War. Since the collapse of communism, it has bulked large in Bulgaria, where there is a strong Turkish minority, and farther west, where brother Muslims look for Turkish support from Albania and Bosnia-Herzegovina.

More than 1,000 Turkish businessmen have set up shop in Romania. Turkish construction teams are building roads, airports and hospitals from the Persian Gulf north into Russia. Some 3 million Turkish workers live in Western Europe, half of them in Germany.

Nationalists claim proudly that, counting the Central Asians, there are about 140 million Turks, including 15 million in Iran and 13 million in China. Almost 60 million of them are in the republics of Central Asia; double-locked in remote hinterlands and in sterile Soviet communism for seven decades, they are belatedly entering this century. They are in a hurry to get with the program—computers to stereos, jeans to jets.

Who better to lead the way than long-lost cousins who settled in what is now Turkey after migrations that began a millennium ago in those same Asian steppes that are now so anxious for development?

Seen from Central Asian eyes so long forbidden to peer beyond Moscow, brawny Turkey is everything they are not—but might like to be.

It is the world's only democratic, secular Muslim state, a dynamic workshop for rapid modernization in the context of a booming freemarket economy.

"The star of history is shining for the Turkish people. We do not have pan-Turkic aspirations. But this region is the land of our forefathers. What is wrong in saying that?" observed Prime Minister Suleyman Demirel during a blueribbon tour of the former Soviet, Central Asian republics with government officials and Turkish businessmen.

As his tour ended recently, Demirel had promised $1 billion in food aid and export guarantees. At least 10,000 high school and college students from the republics will go to school in Turkey at government expense. Turkish schools, businesses, state corporations and the Foreign Ministry will train teachers, bankers, accountants and diplomats.

It will soon be easier, and cheaper, to get in and out of Central Asia from Istanbul than Moscow—if it isn't already. State-owned Turkish Airlines (THY) is busily establishing scheduled service to a suddenly alluring East that has been a blank spot on Turkish maps for centuries. Twice-weekly flights are scheduled to begin this month to Tashkent and Alma-Ata, the capitals of Uzbekistan and Kazakhstan; THY service will double to four flights a week to Baku, the capital of Azerbaijan.

A regional framework of governmental cooperation is also emerging. Demirel recently urged other Islamic countries to admit the new Turkic republics as members of an economic cooperative group. Last week, Demirel, Iranian President Hashemi Rafsanjani and Pakistani leaders attended a summit of Central Asian states in the Turkmen capital of Ashgabat (formerly Ashkabad) to discuss regional issues and approve construction of a new rail line along the route of the ancient Silk Road.

In June, Demirel will host the foundation of the Black Sea Economic Cooperation Region, which will include many of Turkey's disparate neighbors, including Greece, Russia, Armenia and Azerbaijan. In the fall, Demirel will preside at the first Turkic summit.

"My head is spinning . . . I am full of excitement," Demirel said as he returned from republics that seemed genuinely glad to see him. "This Turkish world has opened unimaginable opportunities. . . . The Soviet Union has been dissolved in one sense, but not in another. The empire has fallen. Nothing has replaced it. But what we saw there is a Turkish world, at least in people's intentions."

Perhaps the most powerful, certainly the most audacious, of Turkey's calling cards to the East is television. The new Ayrasya channel, beamed by satellite, is accessible to 96 percent of viewers in Central Asia with existing antennas. Transmissions that began this month will provide more than 50 hours a week of broadcast to each of the Central Asia republics, according to Sedat Orsel, deputy general director of Turkish National Television.

Programming—from Sesame Street news to Brazilian soap operas to sports and feature films—will all be in Turkish, a common tongue spoken with many variations in the republics.

In another two years, Orsel says, Turkish-owned satellites will not only transmit television signals but also provide direct links to the West for telecommunications, most of which is now routed through Moscow.

The U.S. government may sublease time on the current Turkish-controlled satellite circuits for its own television programming to Central Asia, according to the U.S. embassy here.

Some of the programs on the new Turkish network, which can also be seen throughout Western Europe, carry subtitles in the Latin-based alphabet that Turkey uses. That, simple as ABC, is part of the competition with Iran.

In Soviet times, the Turkic republics learned the Cyrillic alphabet to go with their imported Russian. Now, each of them must decide to remain with Russia's Cyrillic, or, more likely, agree on a new written alphabet. Roman or Arabic. With a flood of secondhand Turkish typewriters and new textbooks reinforcing the Ayrasya broadcasts. Azerbaijan and Turkmenistan have already decided to spell like the Turks. The rest are expected to follow suit, with the possible exception of Tajikistan.

"Seventy years is a long time. They don't know anything about the West. Television is an open window to our society and values. In two years, all Turks will understand one another." said Orsel, architect of the $10-million project to launch the satellite transmission.

In the 19th Century, agents of European powers and Russia vied for influence in Central Asia in what was known as The Great Game. Today, the key players are regional: the Iranians, who, like conservative Saudis, have mostly money and religious orthodoxy to offer the new Islamic republics; Islamic Pakistan; and the two Asian giants—China, and, of course, Russia.

Among the contestants, Turkey's blood ties, and its unique political and economic track record in the past decade, give it a leg up, at least in the Turkish view.

"These people have come out of totalitarianism, and after being cut off for decades, they want to open to the modern world. Unless they are disappointed in what they find, I don't think they would buy Iranian-type fundamentalism," said Seyfi Tashan, director of the Foreign Policy Institute at Hacettepe University here.

Indeed, the Central Asian republics, like Islamic lands in the Balkans, all say their goal is intergration with the international community as secular and democratic states—just like mother-brother Turkey.

"We will become a regional power, but a soft power," Tashan said. "It is not any question of becoming a fireman, but of helping to solve regional problems, and teaching our model to the rest of our neighborhood."

In the sudden enthusiasm, there are some cautions voices. Turkish big business is not as enamored of economic prospects in the East as some of the thousands of smaller firms seeking a piece of perhaps distant profits.

"Integration of the Turkic world is more psychological than real. The Turkic republics are not strong economically. They have nothing to sell us; their industry is backward and integrated with Russia," said Ertugrul Ozkok, editor of the mass circulation newspaper Hurriyet. "Maybe Turkey is the model not so much because it is Turkey, but because it is the way west."

For all of its public optimism, the Turkish government must also have private reservations about stability of the region. Demirel had to cancel a stop in Tajikistan because of unrest there. And not even the most ebullient of Central Asian politicians can be sure that either democracy or free market economics will take root.

In the view of the Western powers, that is all the more reason Turkey is to be encouraged in playing East. "Instability in that region requires a new and novel approach. Turkey is close to the Central Asian states of the former Soviet Union, and if Turkey is not the critical country in the region, then it's going to be Iran," French Foreign Minister Roland Dumas observed.

Dumas spoke during a meeting of European Community foreign ministers in Portugal earlier this month. The session's theme was closer ties with Turkey, France and Britain particularly support the emergence of Turkey as a regional power.

France's President Francois Mitterrand was a recent visitor to Ankara, followed soon thereafter by British Foreign Secretary Douglas Hurd, who said Britain will use its upcoming term as EC president to propose a special relationship with Turkey "comparable to that between the EC and the United States or Japan."

That is music to Turkish ears.

A country of 57 million whose per capita income is still less than $3,000 and whose international image still suffers a tarnished human rights reputation as an aftermath of its military rule in the early 1980s, Turkey desperately wants to be accepted as a full-fledged partner in Europe.

The Turkish government, and its supporters in Europe, are betting that a giant step east may also ultimately prove the decisive step west for a key country-in-the-middle.

REPRESENTATIVE LENT ANNOUNCES RETIREMENT

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. LENT. Mr. Speaker, for the past 22 years, it has been my honor and privilege to serve the residents of Long Island as the Representative of the Fourth Congressional District of New York. During that time, I have had the opportunity to attain positions of leadership that allowed me to play an instrumental role in the crafting of our Nation's laws.

So much has changed since I, as a young attorney from New York, first arrived here in our Nation's Capital. Now a proud grandfather, I've watched my children grow and mature into fine men and women. I've served under five Presidents and countless other leaders whose service has earned them a place in history. The Berlin wall, that symbol of Communist oppression, has been torn down and the people of Eastern Europe and the former Soviet Union are struggling to come out from under the yoke of oppression into the sunshine of freedom.

But despite the differences, many of the problems we faced then still plague us today. The riots of the 1960's, which seemed such a distant memory, have returned to the streets of Los Angeles. America continues to be dependent on foreign sources of oil. Government spending continues to rage out of control, while the American people continue to be overburdened by excessive taxation and regulation. And in all that time, the Democratic

Party has controlled the House of Representatives; not one Republican has served as chairman of a House committee or subcommittee since I arrived 22 years ago.

A quick look through today's papers will reveal several stories about the disdain, distrust and anger felt by the American people toward their Congress, as well as commentaries that contend that we have lost our way, betrayed by ineffective leadership. Allow me to disagree. Our Government may not win any contest for producing legislation quickly, and it may be true that the quality of our laws is sometimes lacking, but I have seen first hand the construction of that delicate mosaic known as compromise, where leaders of differing views have come together, giving a little and getting a little, so that society as a whole may be bettered. The National Energy Policy (H.R. 776) we recently crafted is an example of the give-and-take this body is capably of achieving.

It has been my privilege to serve in the Congress of the United States and to have played a small part in achieving compromise between the Democratic House and the Republican administration. And although serving in the minority is often exasperating, I believe that in my 22 years, I have been able to make a positive contribution.

However, in recent weeks the vagaries and uncertainties of the redistricting process have caused me to consider my own future. Although I believe that I would win reelection in my newly configured district, under either the plan approved by the Federal court or that which was enacted by the State legislature, I have nevertheless concluded, after many hours of soul-searching and consultation with family and friends, that the time has come to move on to new challenges and to pursue new goals.

Therefore, I am announcing that I will not seek election to a 12th term in Congress.

A change in Congress is healthy, for it provides a fresh perspective derived from the experience and expertise of its newest Members.

As for my personal plans, having spent 30 years—almost half my lifetime—in public service, I look forward to a new and fulfilling career in the private sector. Hopefully, my next career will not involve 7-day workweeks or the stress and frustration which can characterize a minority Member's life in the House of Representatives.

Although I have found the vast majority of the men and women who serve in the House to be dedicated, hard working and honest public servants, the sad fact is that Congress is currently held in very low esteem by the American people. This would not be true if everyone could see the U.S. Congress that I have known. The furor over the House bank obscures the legislation that ensures cost of living adjustment for more than 36 million of our senior citizens. Worry by some over reserved parking spaces at National Airport diverts attention away from the millions of Americans who received guaranteed student loans so that they could obtain a college education. And stories abound on the cost of the House gymnasium while none are reminding the American people that the billions of dollars spent to project American military power and to protect American interests abroad have resulted in a world much safer today than it was just a decade ago.

But, I guess, that just wouldn't sell newspapers or bring in advertising revenues for the evening news.

The task before Congress has never been greater. After decades of winning the war of ideas waged against the Soviet Empire, it is time to turn our attention toward winning the peace for America and all her people, and to recognize the responsibility that comes as a result of our victory. Though we may at times be distracted by scandal and partisan rhetoric, I remain confident that those men and women chosen to serve in this body are capable of tackling our common problems, and will exert their every effort toward ensuring that the America we leave to the care of our children is as good or better than the one that was left to us.

In closing I want to acknowledge my special gratitude to the finest personal staff any Member of Congress could have, and to the wonderful people who serve on the Republican staffs of the Energy and Commerce and Merchant Marine Committees. These fine people have given me—and my constituents—their dedication and loyal service for many years, as have those who so ably staff the House floor. To my wife, Barbara, I give my love for her guidance, understanding, and patience. My thanks for their loving support also goes to my stepmother, Pat Lent, and my three children: Norman, Barbara and Thomas. To my colleagues, I offer my gratitude and affection for your professionalism and friendship. And to the voters of Nassau County, who for 30 years offered their trust and support, I thank you for granting me the opportunity to serve in this Chamber—this Institution—that I love so much.

A former Speaker of the House, Henry Clay, once said:

> Regardless of what other endeavors we as individuals may go on to pursue, election to the people's House is the capstone of our careers. There is no more important calling than serving in the people's House.

I couldn't have said it better myself.

May God bless the U.S. Congress and the people chosen to serve here.

EXCELLENCE IN GERMAN SCHOLARSHIP

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. HOCHBRUECKNER. Mr. Speaker, today I rise to honor the outstanding achievements of Erika Carley from Sound Beach in the First Congressional District on Long Island, NY. I am pleased to recognize Ms. Carley for being selected as a recipient of the Daimer-Benz "Award of Excellence" for her academic honors.

Ms. Carley, one of only 80 North American high school students to be honored with this prestigious award, was selected from an applicant pool of over 260,000 students from 3,092 high schools.

The Award of Excellence designed to express German solidarity with the United States is granted on a competitive basis to students who have demonstrated excellence in German studies. Along with the award, recipients are given the opportunity to experience Germany firsthand. Ms. Carley, along with the other recipients, will fly to Stuttgart, Germany, where over a 3-week period, the students will visit various automobile, aerospace, and electronic facilities, tour Berlin, and live with a host family to experience everyday life in Germany.

In an increasingly interdependent world of nations, the opportunity for young people to engage in a program like this creates a great investment in our future. Ms. Carley, and the other selected students, will be given the opportunity to gain a better understanding of Germany and our world as a whole. Our future lies with young people like Erika, and I am sure her experiences in Germany will be both rewarding and memorable.

I would like to extend my congratulations to all of the recipients of this prestigious award, especially Ms. Carley and her family. I would also like to send my best wishes to Erika in what I am sure will be a promising future, in whatever endeavors she pursues.

HAPPY 100TH BIRTHDAY TO MRS. ARLINE R. BROWE

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. MACHTLEY. Mr. Speaker, I rise today to congratulate Mrs. Arline R. Browe of Bristol, on the celebration of her 100th birthday.

Mrs. Browe currently resides in the Rhode Island Veterans Home as she is a veteran of World War I. During World War I, she served as a first class yeoman in the Navy from March 1917 to July 1919. Since being discharged from the Navy, Arline has lived in Rhode Island and for a brief period of time taught stenography at Childs Business School in Newport. In addition to her service to her country, Arline has been a devoted wife and mother. Her son, Gerald, also resides in Rhode Island.

It is a great pleasure for me to join with Arline's many friends and family in wishing her a very happy birthday with more healthy and happy years to come.

SALUTE TO STANLEY AND BARBARA BROOKS SMOYER

HON. DICK ZIMMER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. ZIMMER. Mr. Speaker, I rise today to salute Stanley and Barbara Brooks Smoyer, distinguished residents of Princeton, NJ. Stanley and Barbara will be honored by the National Conference of Christians and Jews at its humanitarian awards dinner in Princeton on June 25. The Smoyers are examples of Americans whose entire lives have been dedicated to serving their fellow citizens however they can.

Partners for over 50 years, Stanley and Barbara have given of their time and resources to a wide ranging array of noteworthy causes and organizations. Barbara has been an active member of the NAACP Legal Defense Fund, the Princeton Youth Fund, the League of Women Voters, and many other civic organizations. She was a founding member of Recording for the Blind, Friends of Corner House, Friends of Princeton Open Space and Friends of Princeton Recreation. She has served as a member of the Princeton Township Committee, vice president of the New Jersey Federation of Republican Women, and delegate to the 1972 Republican National Convention.

Stanley has served as a member of the Princeton Joint Civil Rights Commission, a board member and honorary trustee of the Princeton Area United Way, a member of the New Jersey Citizens Committee on Municipal Government, past president of the Princeton Republican Club, and trustee and vice-president of the Princeton Area Foundation. Stanley and Barbara have been honored in the past as Princeton Citizens of the Year and by the Mercer County Republican Committee as honored Republicans of the Year. We now honor the Smoyers for their dedication to the crucial mission of the National Conference of Christians and Jews. The humanitarian awards which they will receive are a fitting tribute to these two people who have exerted so much effort to eliminate prejudice and discrimination.

Mr. Speaker, we can all learn something from the Smoyers about fighting the prejudice and discrimination in our society. Having known Stanley and Barbara for many years and having had a chance to witness many of their contributions firsthand, I would like to extend my personal congratulations to the Smoyers and encourage others to follow their fine example.

TRIBUTE TO DR. GERALD CHRISTENSON

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. VENTO. Mr. Speaker, I would like to bring to my colleagues attention the retirement of a dedicated public official and friend in Minnesota. Gerald Christenson has committed his career to bettering the lives of Minnesotans for nearly four decades. From his early career as a high school teacher through his tenure as the chancellor of the Minnesota community college system, Jerry has been a tireless advocate for improving education and educational opportunities for all citizens. Among the positions that Gerry has served are State planning director, commissioner of finance, and administrative assistant to my predecessor, Congressman Karth.

It was in the field of education, after a 5-year stint as State planning director, that Jerry made his greatest contribution, putting to practice his forward-looking concepts about Minnesota's policy path. From 1975 to 1979, Jerry served as vice president of Metropolitan State University, an institution whose mission is to serve the needs of non traditional students. As vice president, Jerry supervised all units of the university below the level of the president.

From 1983 to his retirement this year, Jerry has served as chancellor of the Minnesota community college system. As the CEO of the Minnesota community college system, Dr. Christenson directed the operation of 21 campuses with a total enrollment of over 56,000 students, 4,000 employees, and annual budget of $150 million.

Early during his tenure as chancellor, Gerald Christenson often took the time to share his goals. At that time he laid out his vision for the future of the community college system. Crucial to his plan was an aggressive effort by the colleges to reach out and serve those who have not been served in the past. Those efforts have been overwhelmingly successful. Under Gerald Christenson's leadership, enrollment in the community colleges has increased by 50 percent, the number of minority students tripled and services to nontraditional students were vastly expanded.

Dr. Gerald Christenson has left a lasting mark on Minnesota with his leadership. Through his efforts, access to and the quality of Minnesota education has been increased. This legacy is not his only legacy. Dr. Gerald Christenson's commitment to improving the quality of life in Minnesota is now being carried forward by the Christenson family, including two who have served in my office as interns and have gone on to serve as professionals in state and local government service. Their accomplishments today and tomorrow will continue to reflect the significant legacy of Dr. Gerald Christenson and his wonderful spouse, Pearl, a strong source of support and inspiration.

I would call my colleagues attention to a recent editorial in the Minneapolis Star Tribune in recognition of Gerald Christenson.

[From the Minneapolis Star Tribune, May 29, 1992]

IN PRAISE OF GERALD CHRISTENSON

Community College Chancellor Gerald Christenson, who will retire next month, stands out among public servants on several scores. He's able, so much so that he's held high posts in state and federal government for much of his adult life. Yet he never lost the common tough of a Litchfield gas station manager's son—and never flagged in his efforts to better the lives of ordinary Minnesotans.

Christenson's resume is long enough for several lifetimes. He's been legislative auditor, a state university vice president, a top legislative and congressional aide, state planning director, state finance commissioner, a federal youth program director and a high school teacher and administrator. That was all before becoming community college chancellor in 1983, at age 53, and leading that system to a 50-percent enrollment growth by throwing its doors open to nontraditional students, notably to older students trying to escape poverty.

It's telling that Christenson's imprint ranges from the complexity of the 1971 overhaul of state and local financial relationships to the refreshingly simple "try college free" program, funded by the Alliss Educational Foundation, that lets Minnesotans without a degree and over age 25 take one community college course at no cost.

It's also telling that Christenson has asked that contributions to his retirement dinner next Thursday in Bloomington be used for a new scholarship for community college students. Called the Chancellor Christenson Scholarship for Courage, the award is to be based on both academic effort and "courage in overcoming obstacles to achieving a college education."

THE EARTH SUMMIT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 24, 1992, into the CONGRESSIONAL RECORD:

THE EARTH SUMMIT

Earlier this month the leaders of 178 countries attended the Earth Summit in Rio de Janeiro, Brazil to address the environmental challenges facing the world today. The Earth Summit covered a range of issues, including global environmental degradation, cost-sharing for environmental protection, and strategies for sustainable economic growth, especially in poor countries. The conference, the largest gathering of national leaders in history, focused new international attention on environmental problems, but it also showed the difficulty of arriving at consensus on solutions.

THE CHALLENGES

Over the last 20 years, the world's population has increased 66 percent, to 5.3 billion, while economic output has nearly doubled. This has placed enormous strains on the environment. Every country today faces problems with air, water, and ground pollution. Ozone depletion and global warming may pose widespread public health risks. Some scientists fear the extinction of perhaps a quarter of the world's plant and animal species in the next 50 years, which could affect the quality of human life.

Industrialized countries have taken steps to improve environmental quality within and directly across borders. However, they have been reluctant to confront global environmental problems even though they use most of the world's resources and are responsible for most of its pollution. Developing countries face different challenges. Many have emphasized economic development to meet the needs of their fast-growing populations. They often argue that environmental protection is a luxury they cannot afford.

A central issue during the Earth Summit was how to pay for the environmental problems caused by industrialization. Developing countries want rich countries to provide generous financial and technical assistance for their efforts to protect the environment. Advanced industrial countries say they cannot afford what developing countries say is needed and they want to retain influence over how any assistance is distributed.

CONFERENCE OUTCOME

The conference produced several important results. First, the Convention on Biological Diversity requires nations to inventory plants and wildlife and develop plans to protect endangered species. Countries must also share research, profits, and technology with nations whose "genetic resources" they use.

President Bush decided not to sign this convention despite widespread support. He said that the treaty failed to provide adequate protection for the discoveries of U.S. biotechnology companies.

Second, a global climate treaty recommends reducing emissions of "greenhouse gases," such as carbon dioxide and methane, that are thought to be responsible for global warming. The U.S. signed the treaty but only after target dates for reducing carbon dioxide emissions were deleted.

Third, the conferees signed several nonbinding resolutions, including a set of principles for environmentally sustainable economic development; "Agenda 21," a detailed action plan that covered all of the environmental issues considered during the summit; and a statement on reducing destruction of world forests. The conferees also established a commission on sustainable development to monitor implementation of and financing for the summit's decisions.

Fourth, wealthier countries pledged new aid to assist developing countries with environmental protection, though not on the scale sought by some. Japan promised to give $7 billion over five years, a 50-percent increase over current levels. The U.S. already provides about $500 million a year in environmental aid, and plans to increase that figure to around $700 million. The European Community pledged $4 billion over several years.

ANALYSIS

The summit's achievements were few and fell short of the original goals. Major financial pledges were not made, and tough environmental controls were not imposed. Critical issues like drought, water pollution, and population control were largely neglected. The principal organizer of the meeting called the outcome "an agreement without sufficient commitment." No one would claim that this summit put the world on the path to sustainable development.

Even so, the meeting marked the emergence of the environment as a key international policy issue. The summit stirred debate on problems that have not gotten much attention before. While the summit may not make a major difference in the short term, it may set some strong forces in motion, and may change the way the world approaches economic growth and the environment. It demonstrated that the world's governments must work together to deal effectively with environmental concerns. Moreover, I think the summit give just a glimpse of how global diplomacy can work now that the Cold War is over. It showed that the U.N. remains the key international institution for addressing transnational challenges.

AMERICA'S ROLE

The President is correct when he says that the U.S. has done much to clean up its air and water and protect endangered species. It has traditionally set the standard for environmental protection. At the summit the U.S. and other industrialized countries made the legitimate argument that environmental treaties should not give the poor countries the right to determine how much money industrialized countries should contribute to environmental protection and how assistance should be distributed.

Yet, the Bush Administration's foot-dragging in Rio allowed other major industrial countries to take the lead and to upstage it with stronger environmental commitments. The U.S. found itself isolated and forfeited its leadership role. Europe and Japan view protecting the environment as a challenge that will over time strengthen their economies, create jobs and sustain valuable resources. The U.S. tends to view the environmental protection measures as a threat to jobs.

The Rio conference showed that no other country is willing to take aggressive steps without top-level U.S. participation. It showed that international action on the environment is likely to succeed when the U.S. strongly backs it but founder when we oppose it or sit on the sidelines. Yet, the consequence of abdicating leadership on an international issue is that one loses influence over decision-making. If we fail to exercise vigorous leadership, others will make decisions for us, on the environment and on other issues of vital interest to us.

DAVIS-BACON NEVER MET JIM CROW—IF THEY HAD, THEY WOULDN'T HAVE BEEN FRIENDS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. TOWNS. Mr. Speaker, I want to alert my colleagues to an editorial which appeared in the May 22 edition of the Wall Street Journal. The editorial diminished the import and need for the Davis-Bacon Act. The act has been a boon to historically disadvantaged minorities and women discriminated against in the construction industry. There are efforts underway to repeal Davis-Bacon. I felt compelled to offer a rebuttal to the editorial based upon its misguided premises and erroneous conclusions. The editorial espoused an opinion that the Davis-Bacon Act serves as a disincentive to construction companies to hire and train minorities. It was also argued that this program was formulated by Jim Crow proponents to economically oppress minorities and women. I encourage my colleagues to review the act and uphold the banner of equity by thwarting all efforts to overturn this statute. The following is my response to the Wall Street Journal:

On May 22, 1992, The Wall Street Journal published an editorial entitled "Davis-Bacon Meets Jim Crow", which called for the repeal of the Davis-Bacon Act because it supposedly discriminates against minorities and women seeking employment in the construction industry. The contention is totally wrong.

Today, minorities and women are threatened with the loss of many of the economic and social gains realized in previous decades. Ironically, those who lead this assault invariably seek to justify their actions by claiming to act in the interest of the minorities and women who will be most harmed. In truth, the attack on minority and female advancement is rooted solely in economic self-interest. The assault on the Davis-Bacon Act is a case in point.

The editorial calls for the repeal of a law which protects the wages of all construction workers, including minorities and women. The Journal editorial attempts to justify repeal of Davis-Bacon by asserting that reducing the wages of minority and female workers is somehow in their interests. The editorial proceeds to claim that the "costs" of Davis-Bacon hurt inner-cities the most because they prohibit contractors from employing local workers who need to learn job skills.

The truth is, minority and female workers have entered the construction industry in increasing numbers over the past fifteen years. Because they are often the newest members of the industry, they are particularly vulnerable to wage-cutting practices the Davis-Bacon Act is designed to prohibit. Norman Hill, president of the A. Philip Randolph Institute, has characterized women and minority workers as "particularly vulnerable to exploitation such as the Davis-Bacon Act of 1931 is designed to prohibit."

With all due respect to the Wall Street Journal, there are distinguished African-American Members of Congress who strongly support the Davis-Bacon Act. Representatives Bill Clay (D-Mo) has aptly described the protections all workers—regardless of race—derive from the Davis-Bacon Act when he stated that, "The average non-union construction worker subject to the Davis-Bacon Act earns $14,000 a year. The average union worker earns $17,000 a year under the Davis-Bacon Act. It is not just morally reprehensible, but logically ludicrous, to believe that reducing these meager incomes of construction workers even further will somehow reduce the budget deficit. [Repeal of the Davis-Bacon Act] will undoubtedly have the effect of increasing the profits of a few employers, but it does so at the expense of both workers and taxpayers."

Former Congressman Parren Mitchell (D-MD) observed that "I have served on the House Small Business Committee for 15 years, and I have chaired the subcommittee that dealt with minority business for the last five years. In that total of 15 years, I have never received one single complaint from any minority business with regard to Davis-Bacon, not one. I hear about them in terms of capital; I hear about them in terms of everything else, but I have not received one complaint from a single minority business with regard to Davis-Bacon."

There are numerous shocking examples of the exploitation of minority workers even in the face of Davis-Bacon violations. Typical is one situation described by a Department of Labor official involving an "Arkansas contractor . . . found owing over $7,000 in back wages to employees. Payrolls were falsified to show compliance . . . The employees were all black and are another example of a group exploited by an unscrupulous employer."

Just like the Wall Street Journal, many opponents of the Davis-Bacon Act attempt to characterize the issue in the context of union versus non-union workers, and argue the statute's only supporter is organized labor. This is clearly not true. Non-union workers are perhaps in greater need of this protection because they cannot turn to a union for protection. African-Americans, Hispanic, Native American and other minority workers, as well as women and young workers especially need the Davis-Bacon Act. For this reason the NAACP, the National Women's Political Caucus, the Navaho Tribal Council, and the Mexican-American Unity Council have all endorsed the Davis-Bacon Act.

The Wall Street Journal's perspective on history is equally as flawed as its feeble efforts to address the concerns of minorities and women. Senator James Davis was Secretary of Labor during the presidential administrations of Harding, Coolidge, and Hoover. In 1930, he was elected to the Senate as a Republican from Pennsylvania. Congressman Robert Bacon was a Republican from upstate New York. And the Davis-Bacon Act was signed into law by President Hoover on March 3, 1931. The success of Davis-Bacon in

protecting workers from discriminatory practices constitutes a strong rationale for its continued existence.

Given former President Reagan's anti-union philosophy, even he, the standard bearer of conservative ideals had no qualms with Davis-Bacon, and did not support repeal of the law. If he offered no dissent, it is hard to fathom how anyone could draw a correlation between a law enacted to uphold workers' rights, and racist Jim Crow policies which abrogated individuals' rights. To suggest that the law is a product of "Jim Crow" racists is unfair and completely inaccurate.

The Wall Street Journal's concern for the employment opportunities of minorities and women is inconsistent and hypocritical. Where was comparable concern when the publication published more than one-half dozen editorials opposing the civil rights bills of 1990 and 1991; combined with consistently negative coverage of the proposed legislation? I believe the Wall Street Journal should be forthright and declare its real intentions regarding proposals involving repeal of the Davis-Bacon Act. Expressing the opinion that the law is rooted in racist philosophy and impairs contractor's abilities to hire local workers is a gross misrepresentation of fact.

The decision to run the editorial exceeded the boundaries of reason. The editorial disserved the framers of the Davis-Bacon Act, minorities alleged to be aggrieved by the restrictive designs of the law, and ultimately the many readers of the publication who give credence to the veracity of editorials opinions that appear in the publication. The issue, and the readers of the paper deserved better.

Edolphus "Ed" Towns (D-NY) represents the Eleventh Congressional District, and is chairman of the Congressional Black Caucus.

CIVIL RIGHTS IN EDUCATION: BROWN VERSUS BOARD OF EDUCATION NATIONAL HISTORIC SITE ACT OF 1992

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. SLATTERY. Mr. Speaker, I am honored to introduce a bill which would authorize the National Park Service [NPS] to establish a national historic site commemorating civil rights in education, and in particular, highlighting the significance of the 1954 landmark U.S. Supreme Court case, Brown versus Board of Education.

The legislation would authorize the NPS to purchase the Monroe Elementary School, located in Topeka, KS, and operate it as a national historic site. Monroe School, which is no longer being used by the Topeka school district, gained historic significance during the landmark Brown versus Board of Education school desegregation case. Linda Brown, the plaintiff in the case, was forced to attend Monroe, which at the time was an all-black school, instead of Sumner School, which was located closer to her home but had all-white enrollment.

The purpose of the site will be to interpret the nationally significant events associated with the Brown case, in which the Supreme Court concluded that separate educational facilities are inherently unequal, thus effectively denying the legal basis for segregation in 21 States with segregated school rooms and starting a revolution in the legal status of African Americans that continues to this day. Establishing the Monroe School as a national historic site will help all Americans to understand the integral role of the Brown case in the civil rights movement.

Monroe School was designated as a national historic landmark in November, 1991. That designation placed the school on the National Register of Historic Places and made it possible for the NPS to conduct a study to determine the school's eligibility for inclusion in the National Park System. National historic landmarks are afforded some protection but are not directly maintained or administered by the NPS.

I commend my colleagues, Representative DAN GLICKMAN and Representative JAN MEYERS, for joining me as original cosponsors of this bill and wish to acknowledge the Brown Foundation and Cheryl Brown Henderson for their work on this project. This legislation was also introduced today by Senators BOB DOLE and NANCY KASSEBAUM in the Senate.

Monroe School stands as a physical reminder of one of the most important court cases in our Nation's history. It should be preserved and developed as a monument to progress in the area of civil rights and as a constant reminder of how much remains to be done. I urge my colleagues to join me as cosponsors in this effort.

CONTRACT FREIGHTERS, INC. RECEIVES PRESIDENT'S "E" AWARD FOR EXCELLENCE

HON. MEL HANCOCK

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. HANCOCK. Mr. Speaker, today I rise and bring to the attention of my colleagues the remarkable achievement of Contract Freighters, Inc., of Joplin, MO, who today received the President's "E" Award for Excellence. Contract Freighters is the first and only trucking company to receive the "E" award that is given to companies that provide outstanding creative marketing and promotional services made available to, and used by, exporters in the development and expansion of export markets. Only 42 companies qualified for an "E" award in 1991.

Glenn Brown, president of Contract Freighters, Inc., received the award today from our distinguished colleague, the senior Senator from the State of Missouri, Senator JOHN DANFORTH, the ranking Republican on the Senate's Commerce, Science, and Transportation Committee, who presented the award on behalf of President George Bush.

To qualify for an "E" award, a company must demonstrate a substantial increase in the volume of exports over a 4 year period. Those exports should constitute a significant portion of total sales and/or be materially in excess of the industry's average. A company should also demonstrate breakthroughs in especially competitive markets or open new markets.

In 1986, Contract Freighters, Inc.'s export revenues were $4.6 million and accounted for 6.37 percent of total revenues. In 1990, export revenues were $27.6 million and accounted for 23.24 percent of total revenues. In 1991, export revenues were $30 million and accounted for 22.35 percent of total revenues. Everyday, Contract Freighters, Inc. has over 900 trailers in Mexico, serving United States, Canadian, and Mexico customers with top quality service transported on all air-ride suspension trailers to protect a customer's valuable freight.

During this time of economic uncertainty, we can all be proud of the remarkable achievements of Contract Freighters, Inc. Contract Freighters, Inc. helps our American manufacturers to be competitive in the global marketplace by transporting made in America products into the heart of Canada and Mexico. I am confident that Contract Freighters, Inc. will continue to be trail blazers and innovators by providing service to where U.S. products need to contract freighters.

FREEDOM FROM GOVERNMENT COMPETITION

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. DUNCAN. Mr. Speaker, on March 11, I introduced H.R. 4430, the Freedom from Government Competition Act. This bill is designed to encourage the Federal Government to use private contractors whenever possible and to discourage Government agencies from performing activities that are commercial in nature. It is a bill which attempts to help small businesses which are being greatly harmed by competition from our own Federal Government. This bill has since been cosponsored by more than 30 of our colleagues from both sides of the aisle.

Recently, syndicated columnist George Will wrote a particularly insightful commentary on the subject of privatization. He noted that the process of relying on the private sector for goods and services that have previously been provided by Government has become a routine policy option.

While that may be true at the State and local level, Congress has been slow to grasp the privatization option for Federal activities. There are thousands of Federal employees engaged in hundreds of Federal activities that are commercial in nature. Regrettably, there is no active governmentwide system in place today to review these activities for potential transfer to the private sector.

I commend Mr. Will's column from the June 14 edition of the Washington Post to the attention of my colleagues and invite additional cosponsors to H.R. 4430.

[From the Washington Post, June 14, 1992]

TURN TOWARD THE PRIVATE SECTOR

(By George F. Will)

Selling the Brooklyn Bridge no longer seems like such a joke, not with serious public officials interested in selling, and sophisticated investors interested in buying or leasing such things as Los Angeles International Airport and the Massachusetts Turnpike. Privatization—of bridges, tunnels,

water systems, prisons, sanitation services, bus systems, the towing of abandoned vehicles, janitorial services in public buildings and much more—is now a routine policy option rather than a libertarian's fantasy.

Los Angeles, which operates four airports, may not do what Britain did in 1987 with its major airports; sell them. New Jersey and Maryland may not privatize Newark and Baltimore-Washington airports, and Massachusetts may not encourage the American Trucking Association's interest in buying the Massachusetts Turnpike. But all these plausible ideas have been discussed and are not novel in a world in which $49 billion worth of state-owned assets were privatized in 1991 alone.

The 14-mile toll road now being privately built between Dulles Airport and Leesburg in Northern Virginia is in the American tradition. Prior to 1800, nearly two-thirds of all corporations founded in America were for building private toll roads. Between 1800 and 1830, private investors powered the construction of 10,000 miles of turnpikes. Relative to the economy of those years, that was a construction effort larger than the Interstate Highway System.

Today there are four entwined reasons for privatizing what have been government activities: to raise cash, to improve the performance of government generally, to improve the performance of the particular institutions and to improve the citizenry.

What government could not use an infusion of cash from the sale of assets? What government might not work better if it concentrated on fewer tasks? Allowing private investors to own and charge tolls on roads, bridges and tunnels cuts public maintenance costs and infrastructure investment needs and puts those assets on the tax rolls.

Yale, which lost its previous president to major league baseball, is losing its current president to entrepreneur Chris Whittle's Edison Project. It envisions creating private, for profit primary and secondary schools for 100,000 pupils by 1996, and for millions eventually. The public education lobby is as appalled about this as any sclerotic semi-monopoly would be about the appearance of competition, but Whittle is just one facet of the turn toward the private sector.

Baltimore is contracting with a Minneapolis firm to run nine of Baltimore's 159 public schools. The venture will cost the city no more than what was being spent on those schools anyway ($26.1 million), but the private firm expects to make a profit and improve pupil performance.

Michael Barone, author of The Almanac of American Politics, notes that New York City's Catholic schools, with their central bureaucracy of 35 people, are out-performing the public schools with their 20,000 central bureaucrats, and he predicts that much of the politics of the 1990s will be struggles "to reform those parts of the public sector that patently aren't functioning."

A pioneer of such politics was Margaret Thatcher. More than two-thirds of the industrial assets owned by the British state when she became prime minister in 1979 have been sold or are scheduled for sale. The government has netted 33 billion pounds, and 900,000 public jobs have become private.

When Thatcher sold a million publicly owned houses, thereby raising the house-owning percentage of the population from 52 to 66, her primary purpose was not the slimming of the stats (although that was a sufficient reason for doing it). She wanted to improve the policy by broadening and deepening Britain's character as a "property-owning democracy." Her reasoning, which echoed America's Founders, was that social stability and prudence are enhanced when more and more people have a tangible stake in the system.

Her use of privatization to nurture democratic virtue included selling many state-owned industries—British Petroleum, British Aerospace, British Gas, British Airways, Jaguar, Rolls-Royce, the national telephone network, electricity and water authorities, among others. State-owned British Steel was costing taxpayers a billion pounds a year. By 1989–90, it was private and made 733 million pounds.

The sale of shares in previously state-owned enterprises is one reason for this emblematic fact: During Thatcher's years, the number of British people owning shares in industries surpassed the number of trade union members. Another emblem of her success was an eruption of colors: the front doors of now-privately owned homes were painted by owners interested in maintenance and individuality.

In America, privatization is part of our tradition of institutional diversity. Concern about government's cost and competence has vastly expanded the range of policies that are discussable. That is the good news amid the welter of bad news about government.

THE WORLD UNIVERSITY GAMES COMMEMORATIVE COIN ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. LAFALCE. Mr. Speaker, today I, and other members of the western New York delegation, are introducing legislation authorizing the Treasury to strike a coin to commemorate the World University Games, which will be held in Buffalo in July 1993.

Buffalo and the United States are honored to be hosting this very important and prestigious athletic event. The World University Games are second in importance only to the Olympics in international amateur athletic competition, and are expected to draw the participation of 121 nations and over 7,000 athletes. The games date back to 1923, but this will be the first time that the games will be held in the United States. I am delighted that Buffalo was chosen to be the first American city to host these games.

For the United States, the World University Games will be an opportunity to host thousands of visitors from around the globe, to share with them the culture, cuisine, and good will of the citizens of New York and the United States, and to show the world the beauty of western New York.

For the world, these games are an expression of good will among all people. The games continue a long heritage associated with amateur sports competition—the heritage of peaceful competition and cooperation that had its beginnings in ancient Greece. The World University Games, which originated as separate Western and Eastern European contests, today is a unified international event. The games therefore symbolize the end of the cold war and the advent of a more peaceful world. In the early 1980's, the Olympics was boycotted first by one superpower and then the other; today, it is possible to speak of a world community free of the ideological tensions that have divided East from West.

For the amateur athletes of this country and of the world, the World University Games will present an opportunity not only to compete against the best athletes in the region, or in the country, but to compete against the best athletes in the world. There is no greater challenge.

The purpose of this legislation is not only to commemorate the 1993 World University Games and all that it represents, but also to raise money to support this kind of international amateur athletic competition. Proceeds from the sale of the coin would help underwrite the cost of sponsoring the games. I would therefore urge my colleagues to support the games by cosponsoring this legislation. The text of the bill follows:

TRIBUTE TO EVELYN DUBROW

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. DYMALLY. Mr. Speaker, I rise to pay tribute to one of the great torch bearers of the liberal tradition in America—Evelyn Dubrow. The June 27 National Convention Banquet of Americans for Democratic Action [ADA] will highlight the contributions of Evy Dubrow whom ADA has called America's most indefatigable lobbyist for the labor and liberal agenda. Indefatigable she has indeed been for more than half a century going back to her World War II era activities, first as a journalist and then as an official of the New Jersey Textile Workers Union of America. She has a lifelong commitment to the people who toil in the workshops to produce the clothing most Americans wear. She has been on the frontlines fighting for their rights as a lobbyist for the International Lady Garment Workers Union [ILGWU]. But her arc of concern stretches much further to embrace all who need a champion in the corridors of power.

It is fitting that the ADA honor Evy who was one of the organization's founders, its director of organizations and State director of its powerful New York chapter. Evy Dubrow has been a mentor to several generations of liberal activists, a legendary figure who helped to shape and push forward progressive legislation, and to rally opposition to those who would turn back the clock of social progress in this country. A recital of some of the awards and citations she has received attests to the breadth of her concerns and of the people whose lives she has affected.

The Opportunities Industrialization Centers of America [OIC] awarded her its Legislative Government Award. Evy's contribution to consumers rights have been recognized by the National Consumers League which gave her its Trumpeter Award complementing her receipt of the first annual New York Consumer Assembly Award. The Consumer Federation of America conferred upon her its Distinguished Service Award for "outstanding work on behalf of elderly citizens." The Hispanic Labor Committee cited her "for promoting full

potentiality to working people." The list goes on and on. It includes awards from the Women's Equity Action League, the Women in Government Relations, the Women's Legal Defense Fund, the Girl's Clubs of America, the National Urban Coalition, the National Farmer's Union, the National Council of Jewish Women, the United National Association of the United States of America, the ILGWU Florida Retirees Clubs. This year she received the Ellis Island Medal of Honor.

Evy's clout has been recognized by the Ladies' Home Journal which in 1971 listed her as one of America's 75 most important women. The Washington Business Review in its June 21, 1982, issue named her one of Washington's top 10 lobbyists. The Washington Dossier Magazine in January 1985 named Evy one of Washington's "Mighty 500—1984's Potentates of Power and Influence."

I am proud to add my homage to this remarkable woman by entering these remarks into the CONGRESSIONAL RECORD. I am sure that all of my colleagues regardless of their political philosophy will join me in saluting one of the most dedicated Americans of our time—Evelyn Dubrow.

A SALUTE TO FIREFIGHTERS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. ASPIN. Mr. Speaker, I rise today to pay tribute to Wisconsin's firefighters and all the firefighters in our Nation.

All of us have either witnessed or personally experienced the devastation of fire. But no one knows better than our firefighters how dangerous, unpredictable, and devastating fire can be. Every year, we lose $10 billion in property to fires—homes that people have worked hard to build, pets, and family pictures and heirlooms that can never be replaced. Most tragically, we lose 6,000 men, women, and children to fires each year. If it weren't for our firefighters we would lose tens of thousands more lives.

Firefighters have one of the most dangerous jobs in our Nation. Every time they go into a fire to save someone they risk their lives. But we citizens, who live and work in our communities, can reduce that risk by following fire safety regulations in our schools, our workplaces, and our homes. If we can get all Americans to fully understand the tragic consequences of fires they would take fire safety rules more seriously. After all, it's a lot easier to prevent a fire than to control a fire once it starts.

Congress is beginning to understand the importance of fire prevention. Just last week, the House Banking Committee approved the Benjamin Franklin Memorial Fire Service Bill of Rights of which I am a cosponsor. This measure would use the profits from the sale of silver and gold coins honoring Ben Franklin to promote burn injury research and fund fire safety education projects. Moreover, profits from the sale of the coins will fund scholarships for the children of fallen firefighters and college courses for students studying fire sciences. Now the House Science, Space, and Technology Committee is considering this bill. I urge my colleagues on this committee to act quickly so that the full House will be able to vote on this important measure soon.

We in Congress also recognize the sacrifices that the millions of professional and volunteer firefighters make each year. Seven years ago, I introduced legislation declaring October 8 National Firefighters' Day. Fortunately, we have had the support in Congress to establish National Firefighters' Day every year since. Dedicating this day is a first step toward making the public aware of the sacrifices of firefighters, and toward promoting fire safety in Wisconsin and throughout the Nation.

This special day also helps folks realize that fire men and women do much more than fight flames. As our Nation's defense against natural disaster and chaos, firefighters rescue workers trapped in collapsed mines, firefighters save people from floods, and their ambulance teams provide medical attention to people injured on our highways. Most recently, the riots in Los Angeles emphasized the importance of firefighters in our society. Los Angeles' firefighters battled over 600 fires and risked their lives for days to help save homes and businesses from the ravages of arsonists. I was shocked and disgusted to learn that the lives of these brave men and women were not only threatened by fires, but also by looters and gang members who attacked them. These criminals must be brought to justice.

Firefighters are dedicated public servants who are committed to helping their neighbors and their friends in times of need. They are also the leaders in our communities, civic organizations, and places of worship. They are great role models for our kids. Our firefighters make our towns and cities a true community. For all of their courage, their strength, their selflessness, and their dedication, I thank each and every one of them.

VIOLENCE IN SOUTH AFRICA

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mrs. KENNELLY. Mr. Speaker, I want to express my deep dismay about the deteriorating situation in South Africa. The June 18 massacre of at least 40 people in the Boipatong township outside Johannesburg, was the worst single incident of township violence since January 1991 when 38 mourners were killed during a funeral vigil in Sebokeng. The death toll in township violence over the last 9 days has soared to over 120.

What makes last week's incident particularly appalling is its indiscriminate quality. Those killed were not political rivals, as in the Sebokeng massacre—they were in the wrong place at the wrong time. Sad to say, even when assailants in township violence are charged, they end up not paying the cost. Overlooked as a result of the Boipatong massacre was the decision of a court of Friday, June 19, to dismiss charges against the seven accused of the Sebokeng massacre because of sloppy police work and prosecution.

Witnesses at Boipatong claim that Zulu supporters of the Inkatha Freedom Party, who were working with the South African police, were responsible for the massacre. Rivalry between the Inkatha Party and the African National Congress [ANC] is not new; it is longstanding, and increasingly, deadly. The Government of South Africa has admitted secretly financing Inkatha in the past, though it denies allegations that it uses Inkatha to foment violence in the townships.

As a result of the Boipatong massacre, the negotiations between the ANC and the Government toward a compromise that will transform South Africa have been halted by the ANC until the Government meets a set of conditions that will help to restore trust. The ANC called on the Government to disband the special police units, prosecute the state security personnel involved in violence, phase out workers' hostels, many of which are seen as military bases for Inkatha, and ban the carrying of cultural weapons favored by Zulus. The Government must do all it can to restore trust. The ANC's demands are not unreasonable; it asks that the conditions set over a year ago for beginning the talks be implemented. Restoration of trust is essential if the talks are to resume; the alternative is further, vastly escalated violence.

No one wants to see South Africa degenerate into civil war. Nelson Mandela and President de Klerk do not want to see South Africa degenerate into civil war. But as the New York Times noted in a June 22 article, neither Mandela nor de Klerk fully control their followers; nor do they accept full responsibility for the things done in their names, As a result, the violence continues.

This latest turn of events in South Africa is tragic. President de Klerk has hinted that he might reimpose a state of emergency, which was a key concession that allowed the talks with the ANC to begin. Reimposition of a state of emergency could doom those talks.

It is not clear that the gulf between the ANC and the Government of South Africa can be breached. Until mid-May, the talks glossed over the fundamental differences separating the parties—a desire for power-sharing that would allow veto power for the white minority versus majority rule whereby the party winning the elections governs the country. Perhaps what President de Klerk wants is to co-opt the ANC into a transition government where they would share the responsibility for government, but not fully share the power—an "interim arrangement that could become interminable," as the New York Times calls it.

But regardless of these fundamental differences, nothing can be accomplished toward a solution to South Africa's trauma if the parties are not talking. The violence must end. Blacks must stop killing blacks, White security police must stop killing blacks. Any Government complicity or incitement to violence must end.

Secretary of State Baker has called for a resumption of negotiations. I add my voice to this call, and I urge the President to add his voice, too. The progress that has been made so far is due, at least in part, to concerted world pressure. This is not the time to turn our backs on South Africa and ignore what has happened. We must speak out against the vio-

lence. We must urge the Government of South Africa to do all it can to restore trust and we must urge resumption of the negotiations.

Mr. Speaker, I would like to submit for the RECORD, a copy of a June 23, 1992, editorial in the Hartford Courant, which accurately describes the serious situation in South Africa.

SOUTH AFRICA: THE TRUCE UNRAVELS

"White man is Satan," said the home-made placard waving above the crowd as South African President F.W. de Klerk visited Boipatong on Saturday. Only last March, white South Africans had voted overwhelmingly for the president's plans to dismantle apartheid.

South Africa, it seemed then, was on track. African National Congress leader Nelson Mandela had met with his longtime rival, Zulu leader Mangosuthu Buthelesi, and a reconciliation of the country's two most powerful black leaders seemed possible. Most important, Mr. Mandela was participating in talks with the government on a constitution that would enfranchise the black majority.

Then came the Boipatong massacre last Wednesday, in which 39 people, including women and children, were killed by Zulus. People in the township have said the attackers were delivered to the scene by white police officers, who shot at those who tried to flee. After Mr. de Klerk was chased from the township on Saturday, police fired into a crowd. Three people reportedly were killed.

Accusing the de Klerk regime of "murdering our people," Mr. Mandela has broken off the talks. The fragile consensus-building between black and white leaders is on the verge of collapse.

The new relationship between Mr. Mandela's ANC and the de Klerk government was almost miraculous. Like a whirlwind love affair, it masked deep-seated incompatibilities. Both men were negotiating while trying to control extremist elements in their own movements. Both were trying to give enough hope, quickly enough, to constituencies hobbled by ignorance and years of violent enmity between the races.

Mr. Mandela must convince a brutalized, inadequately educated generation of young black South Africans to sit still and trust diplomacy. Worsening living conditions have not helped.

For Mr. de Klerk, it's one thing to bring his political allies to the negotiating table with Mr. Mandela it's quite another to reeducate an entire legion of footsoldiers accustomed to keeping order with terror with divisiveness.

In the townships, it's still the black constituents of the ANC vs. the Zulu followers of Inkatha and the white-dominated police. Weapons are everywhere; fear is everywhere; violence is endemic. In Boipatong township, a Los Angeles riot's worth of deaths happens every week.

It's now testing time for both leaders, particularly for Mr. de Klerk. He still has much to prove if black South Africans are to have any confidence in negotiations with his government. He must propose constitutional changes that will give the black majority a real say—not just a symbolic vote with the white minority retaining veto power.

He must also change his attitude toward the realities of the townships. His reaction, when told of fears that police had abetted the massacre: "I reject that allegation with utter contempt."

Police complicity in violence by Inkatha members against ANC followers has been credibly documented. Mr. de Klerk must take these allegations seriously, investigate them thoroughly and be prepared to be ruthless with police who inspire such violence. He faces the alternative that South Africa could descend into anarchy.

TRIBUTE TO DON G. FONTANA UPON HIS RETIREMENT

HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. COX of California. Mr. Speaker, it is an honor to rise and pay tribute to one of Orange County's truly outstanding citizens, Mr. Don G. Fontana. Mr. Fontana, minister of music of the St. Andrew's Presbyterian Church in Newport Beach, CA, has announced his retirement after more than 40 years of service. As Mr. Fontana begins a new phase of his life with this announcement, his contributions to God and his community serve as an inspiration to all of us.

Mr. Fontana is an accomplished choral conductor and musician, and he has shared his gift with the people of Orange County since he began his career as an organist for the First Baptist Church in 1948. Since that time, Mr. Fontana has enlightened numerous congregations with his musical talent.

Mr. Fontana served with distinction as minister of music at the world renowned Crystal Cathedral in Garden Grove, CA. He has also participated in numerous other noteworthy endeavors. He is president of Lyndon Music, a group that shares music through seminars, publishing, and radio and television productions. He is a member of the American Society of Composers, Authors and Publishers [ASCAP], and the American Choral Director's Association [ACDA]. Mr. Fontana also served as California state president of the distinguished Choral Conductors Guild.

Mr. Fontana has sought to share his gift with aspiring young musicians as an Adjunct Professor of Music at Biola University in La Mirada, CA. He is also welcomed as a great lecturer at universities and seminaries nationwide.

Mr. Speaker, it is clear that Mr. Fontana's contributions over the years characterize the American spirit of hard work and dedication. I know that Mr. Fontana will continue to give of himself throughout his retirement both to God and to his community. It is with great pleasure that I bring Don Fontana's accomplishments to the attention of the Congress of the United States and the American people, and offer my thanks to him on the eve of his retirement for his years of service.

INTRODUCING LEGISLATION TO DESIGNATE THE HELEN L. DAY POST OFFICE FACILITY

HON. JAMES P. MORAN, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. MORAN. Mr. Speaker, today, I rise to introduce legislation designating the post office facility at 1100 Wythe Street in Alexandria, VA as the Helen L. Day Post Office Facility.

Mrs. Helen Day was a community activist in Alexandria for over 50 years. She taught in Alexandria's public schools for 46 years and was a dedicated member of her church. She demonstrated a rare sense of commitment and responsibility to the community by working in more than 20 community organizations. Among her many other accomplishments, Helen Day was a longtime leader of the Girl Scouts, founder of the Hopkins House, and secretary for the Council of Social Agencies. Mrs. Day was also involved with the Alexandria Community YWCA and served on several panels for the United Way.

I am honored to have had the opportunity to work closely with Helen during my tenure as mayor of Alexandria and member of the Alexandria City Council. Through this association, I have witnessed the impact of her charity on the city of Alexandria and the community.

Recently, Mrs. Day passed away. While we are all saddened by the loss of this great lady, we should not allow the memory of her enthusiasm and joy of life to fade.

To preserve the memory of Helen Day for those of us who knew her and worked with her, and for those who may not have been touched by her vibrancy, I have introduced a bill to rename her home post office. I hope this post office will serve as a beacon for what we can accomplish if we work together as a community.

LEGAL OPINION SHOWS ADMINISTRATION WRONG ON PALAU COMPACT MODIFICATIONS

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. DE LUGO. Mr. Speaker, a legal opinion by our research service indicates that the administration was wrong when it told the leaders of the trust territory of Palau that modifying a future status arrangement as they had suggested could invalidate the existing funding for it.

The Library of Congress opinion, which I will include in the RECORD with this statement, says that the proposed compact of free association with these western Pacific islands can be modified without jeopardizing the funds already appropriated.

The administration had assumed that the compact could not be modified without risking a substantial sacrifice of the funds as a basis for declining to work out modifications that Palau's leaders said are needed to obtain Palau's approval of the status proposal.

It thought that the legislation that would be required to approve the modifications would cause the Congress to take back much money now available for the compact because of Budget Act constraints.

I said at the time that the administration's "contentions in this regard will cause unrealistic fears" and noted that its statements did not speak for the Congress. The legal opinion I am sharing now explains why they were in error and not an official U.S. position.

Mr. Speaker, as you know, the Federal Government has authorized the free association arrangement to be put into effect through a law that I sponsored. The money involved has been appropriated.

As you also know, Palau has not approved the compact in seven referenda to date. Its leaders told the Insular and International Affairs Subcommittee and the administration over a year ago that they did not think that it could be approved "as is."

In doing so, they asked that Federal representatives work with them to overcome problems that have prevented Palau's approval, stressing they were not seeking more money, their proposals were negotiable, and they would seek their people's approval of a modified compact before formal United States approval of the modifications.

The bipartisan reaction in the Interior and Insular Affairs Committee, which has jurisdiction over trust territory matters, was that modifications should be negotiated based on Palau's proposals.

The administration finally responded a couple of months ago. It declined to work out compact modifications, citing alleged budget problems that the Congressional Research Service says do not exist. It tried to force Palau to approve the current compact proposal.

It has backed up its position with not-so-subtle intimidation and subverted a consensus for approving the compact with modifications. It has failed to live up to our obligation to develop the territory into a self-governing status based on the wishes of the people.

This has misled most Palauans to believe that they have no real alternative other than to approve free association as worked out so far. Many have begun a process to do so; others have reservations.

If this effort does not succeed, the administration will have needlessly set back the prospects for resolving Palau's future status as well as dishonored our commitment to self-determination.

The Library of Congress opinion shows that this risk and approach need not be taken and that compact modifications can be considered. Approval of the compact with modifications should be made possible.

The opinion reads as follows:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC.

To: House Committee on Interior and Insular Affairs, Subcommittee on Insular and International Affairs.

From: American Law Division.

Subject: Whether Any Modification of the Compact of Free Association Between the United States and Palau Would Encounter a Problem Under the Budget Enforcement Act or Invalidate Funding That Has Been Appropriated for the Compact.

This memorandum responds to an inquiry, transmitted by Jeffrey Farrow and Virginia Sablan, regarding whether any modification of the Compact of Free Association Between the United States and Palau would encounter a problem under the Budget Enforcement Act, title XIII of P.L. 101-508 (1990), or invalidate funding that has been appropriated for the Compact. The United States approved the Compact in P.L. 99-658 (1986), as amended by P.L. 101-219 (1989). See 48 U.S.C. §1691 nt., for the texts of P.L. 99-658, which incorporated the Compact in title II, and P.L. 101-219.

The Compact has not taken effect because Palau has not approved it under its constitutional processes. See section 411 of the Compact and section 101 of P.L. 101-219.

Section 101(c)(1) of P.L. 99-658 requires that an amendment or change to any part of the Compact must be effected by new legislation in Congress.

In article I, title II of the Compact, entitled "Grant Assistance," the United States agreed to advance to Palau various amounts for grant programs. Significantly, the United States in section 211(f) of the Compact, for example, agreed to give $66 million to Palau on the effective date of the Compact and an additional $4 million during the third year after the effective date to create a fund to be invested by the government of Palau. This subsection directed the governments of Palau and the United States to enter into a separate agreement, to come into effect simultaneously with the Compact, setting out provisions for investing, managing, and reviewing the fund to allow for an agreed minimum annual distribution from its accrued principal and interest commencing on the effective date of the Compact for fifty years. See H. Doc. 193, 99th Cong., 2d Sess. 225-243 (1986), for the Agreement Relating to Economic Assistance under Section 211(f). The objective was to produce an average annual distribution of $15 million commencing on the fifteenth anniversary of the Compact for thirty-five years.

In the Urgent Supplemental Appropriations Act, Fiscal Year 1986, P.L. 99-349 (1986), Congress enacted a permanent, indefinite appropriation. It stated that "for grants and necessary expenses" as provided in sections 211-217 and 231 of the Compact of Free Association "all sums that are or may be required in this and subsequent years are appropriated, and shall be drawn from the Treasury, as authorized by title I of the Compact of Free Association of 1985 (Public Law 99-239), and as may be authorized upon the enactment of S.J. Res. 325 [the Senate version of the bill that was enacted as P.L. 99-658] or similar legislation: * * *"

Section 236 of the Compact pledged the full faith and credit of the United States for the full payment of amounts specified in article I of title II of the Compact and made this obligation enforceable in the United States Claims Court.

Because of this permanent, indefinite appropriation and pledge of full faith and credit, Compact funding is treated as direct or mandatory in the Budget Enforcement Act (BEA). The BEA subjects such spending to a "pay-as-you-go" discipline designed to assure that any legislation enacted after the date of enactment of the BEA which affects spending or receipts and increases the deficit will trigger an offsetting sequestration in nonexempt accounts. Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985, P.L. 99-177 (1985), as amended by section 13101(a) of the BEA, 2 U.S.C. §902(a). Funding under the Compact itself is exempt from sequestration. Section 205(g) of P.L. 99-177, as amended by section 13101(c) of the BEA, 2 U.S.C. §905(c), and 104(f) of the Compact.

The pay-as-you-go discipline applies to three elements: legislation (1) must affect direct spending, (2) must have been enacted after the date of enactment of the BEA, and (3) must increase the deficit.

The first question is whether any legislation to modify the Compact, which, it is understood, must be effected by legislation, would encounter a problem under the Budget Enforcement Act. To state that any modification would encounter a problem does not appear accurate because it overstates the legal effect of the BEA. A modification not affecting direct spending, for example, would not appear to encounter a problem with the pay-as-you-go discipline of the BEA. Likewise, a modification that would not increase the deficit, even though it would affect direct spending, would not appear to encounter a problem.

The second question is whether any modification legislation would invalidate funding already appropriated for the Compact. The permanent, indefinite appropriation in P.L. 99-349 made funds available as authorized primarily by P.L. 99-685, as amended by P.L. 101-219 (section 103 of P.L. 99-658 repealed title V of P.L. 99-239, in which the Congress approved in principle the Compact of Free Association with Palau because the approval in P.L. 99-658 superseded it).

Those statutes and the Compact appeared to condition availability of funds from P.L. 99-349 on the Compact taking effect, an event that cannot occur until Palau gives its approval under its constitutional processes. Until the Compact takes effect, it appears that any of its terms, including the pledges of economic assistance, can be modified. As a practical matter, whether any particular bill to modify the Compact would in fact invalidate or jeopardize funding would appear to depend upon whether introducing such legislation would cause the parties to renegotiate those pledges.

Appropriations for Palau that are not conditioned on the Compact taking effect would not appear to be invalidated or jeopardized by proposals to modify the Compact. The $17,651,000 appropriation for operations of the government of Palau made available in the Department of Interior and Related Agencies Appropriations Act, Fiscal Year 1992, P.L. 102-154 (1991), for example, would not appear to be affected by such proposals.

THOMAS J. NICOLA,
Legislative Attorney.

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HON. DAN GLICKMAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. GLICKMAN. Mr. Speaker, the 14th amendment to the Constitution:

No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the law.

From those words, written in 1787 by 55 far-sighted constitutional delegates, springs the American notion of equality.

One hundred sixty-seven years later, in a court decision arising from a case brought by a 32-year-old welder from Topeka, KS, would take those 52 words and ignite a new revolution in America. A revolution in the legal status of African-Americans in this country. A revolution that is not nearly over.

In 1954, the Supreme Court ruled that "separate educational facilities are inherently unequal." The Brown versus Board of Education case established that segregation was a violation of the 14th amendment and was unconstitutional.

In 1992, the revolution continues—and we still have a long battle before us. The races are polarized. Too many people resist trying to understand one another. But, we can understand each other. And, we will understand each other.

History will play an important role in bringing us all together. That is why today, Representatives SLATTERY, MEYERS, and I have introduced legislation designating the Monroe Elementary School in Topeka, KS, as a national historic site. I am proud to present this legislation as a powerful reminder of the struggle for equality in America.

Linda Brown was forced to attend the Monroe Elementary School in 1949 despite its 2 mile distance from her home because the school nearer her home, Sumner Elementary School, admitted only white children. Only after her father, Oliver Brown, courageously challenged this gross inequity, did he win one of the most significant and historic Supreme Court cases in the country. The social, ideological, and historical impact of the ruling in Brown versus Board of Education of Topeka cannot be overestimated.

I urge my colleagues to support this legislation and to think of Oliver Brown, Linda Brown, and everyone else who had a hand in the Brown case, and think about the sacrifices they made based on their idea of what the 14th amendment stands for. We should remember their courage. We should seek to find the courage within ourselves to reach out our hands to one another. If the struggle for equality is ever going to end, we are all going to have to try a little harder.

DAVID BRODY: A FORCE TO BE REMEMBERED ALWAYS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. HOYER. Mr. Speaker, it is with great pleasure that I rise today to recognize the 76th birthday of a friend to many in Congress, Mr. David Brody. Mr. Brody has provided an abundance of wisdom and instruction over the years in his position as Washington representative of the Anti-Defamation League and, although Mr. Brody retired in February 1989, his presence is still felt on the Hill.

David Brody began his career as an attorney for the Department of Agriculture, upon graduation from Columbia University Law School in 1940. After 9 years of service at the Department, he moved onto B'nai B'rith's Anti-Defamation League, where he dedicated 40 years to the cause of Israeli freedom and liberty for all people.

Mr. Brody was known as the 101st Senator during his time as the ADL Washington representative. His success as a lobbyist was due to his ability to communicate with people regardless of their opinion or affiliation. Popularity and effectiveness have warranted him the vast respect of the Members of Congress.

Mr. Brody was often sought after because of his extensive knowledge of various issues. He never limited himself to the issues which he considered favorable. He is as knowledgeable on issues to which he is opposed as to those which he is in favor. This unobstructed approach has earned him the reputation of formidable enemy and charitable friend.

Mr. Speaker, it is with pleasure that I remember Mr. Brody's warmth and generosity on the celebration of his birthday. It is the perfect opportunity to reflect upon the enormous amount of good judgment and information he has provided us over the years. His intelligence and personality will never be forgotten around the Hill.

A CONGRESSIONAL SALUTE TO MS. DELORES BACUS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. ANDERSON. Mr. Speaker, on Friday, June 26, 1992 the Downey Chamber of Commerce will hold its annual Installation Dinner Dance. That evening will mark the end of Ms. Delores Bacus' distinguished term as president of the chamber. It is my pleasure to bring this remarkable woman to your attention.

Delores' term as president was a full and ambitious one. While in office, Delores guided the chamber toward many innovative programs that will continue to benefit the city of Downey long after her term as president has expired. During her tenure, Delores was responsible for offering credit union service to chamber member businesses, establishing a pharmacy discount program for chamber member businesses, and automating the chamber office. Working closely with a local school, Warren High, Delores created Business Encounter Day, where teachers spend a day participating in business activities. Under Ms. Bacus' expert leadership, the Downey Chamber of Commerce expanded their Career Day Program, inviting 90 business professionals to share their career experiences with the students from Warren High School. In addition, Ms. Bacus implemented a "Shop Downey" campaign and a monthly luncheon program with the chamber to discuss relevant business issues facing the community. Delores also served as a host to a golf tournament that raised funds for the Association for Retarded Citizens.

Mr. Speaker, the Downey Chamber of Commerce will miss this vital personality and leader. Ms. Bacus has devoted countless hours and much of her energy to making Downey a better place to live and work. As the chamber looks to the future with the installation of Carmen Vinyard as its new president, it is with the knowledge that new programs will be built on the solid foundation provided by Ms. Delores Bacus.

My wife, Lee, joins me in extending this congressional salute to Ms. Delores Bacus. We wish Delores all the best in the years to come.

BICENTENNIAL OF WARWICK, NY, POST OFFICE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. GILMAN. Mr. Speaker, I am pleased to take this opportunity to inform our colleagues that the U.S. Post Office in Warwick, NY, is about to celebrate its 200th anniversary of continuous service.

The town of Warwick, at that time a heavily rural area, was formed in 1790. Although most of the residents of Warwick were farmers, the need for a post office soon became apparent. Although less than a year had transpired since our Federal Constitution went into effect, the people of Warwick were impressed with the admonition in article I, section 8, authorizing Congress "to establish Post Offices and Post Roads," as well as the first amendment in the yet to be adopted Bill of Rights affording citizens the right to "redress grievances." Accordingly, 103 good townspeople of Warwick petitioned Congress to establish a post office to service their fledgling community.

On June 30, 1792, this request was granted. On that day, the Warwick Post Office began operations, under the guidance of Postmaster John Smith.

At the time, the Warwick Post Office was only the third to be established in Orange County, the earlier post offices being those in Goshen and Montgomery, NY.

As the town of Warwick grew throughout the subsequent two centuries, so too did the post office serving the area grow. Rural delivery service, which too many of us today forget was a radical innovation when it was first proposed in the early years of this century, was established by the Warwick Post Office in 1920. It proved to be so popular that it was expanded to a second route in 1925. These two rural delivery routes sufficed until the early 1960's, when the growth of the central village in Warwick had become so great that the establishment of city delivery was warranted. This city delivery has thrived in Warwick since 1963.

Today, the Warwick Post Office, located on Main Street in Warwick, manages six city delivery routes and six rural routes. Although the town of Warwick still contains some of the richest and most productive farmland to be found anywhere within these United States, the community has diversified greatly over the past 200 years. The town of Warwick is now home to residents in all walks of life including those who commute from this beautiful countryside to places of employment all throughout the Metropolitan New York area. Over 6,000 patrons enjoy the fine service provided by the outstanding employees who work under the inspired leadership of Postmaster John Mattinson. Our Warwick postmen and postwomen travel over 250 miles a day to bring cheerful and efficient service to these postal patrons.

Mr. Speaker, we will be commemorating the 200th anniversary of the Warwick Post Office on June 30. As ranking minority member on the House Post Office and Civil Service Committee, I am proud to have such a post office

in my own congressional district which has served as an inspiration to other post offices throughout our Nation for 200 years, with the promise of continued fine service in the years ahead.

THE FINAL TRUTH ABOUT PRORATIONING, FOR NOW

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. SCHEUER. Mr. Speaker, last month, Congressman ED MARKEY and I sponsored an amendment to the comprehensive energy legislation, H.R. 776, on the floor regarding the standards for the regulation of natural gas production by the States. A number of our colleagues from natural gas producing States complained that we did not understand the legitimate prevention of waste and protection of property rights bases for recent changes in the producing States' natural gas production regulation laws.

Mr. MARKEY and I argued that those recent changes by the producing States in their so-called natural gas prorationing regulations were intended to restrict supply and raise price. This we were told by our colleagues from the producing States and also now by the Bush Department of Energy is just not true.

Well, I would like to add some background facts on the motivation of the natural gas producing States. The following statements clearly and plainly indicate that a principal reason for recent changes and proposed changes in the natural gas production regulations of producing States are to increase prices:

"Sixty years ago, a sharp drop in the price of oil led Oklahoma Governor William H. 'Alfalfa Bill' Murray to call out the National Guard to turn off the flow from about 3,100 wells to help push prices back up.

'That's what we need today—someone with enough backbone and guts to say we're not going to take it any more,' Oklahoma Corporation Commission Chairman Bob Hopkins said Thursday."

Source: Bob Vandewater, "Natural Gas Industry Looks for Price Boost," The Sunday Oklahoman, June 30, 1991, at Business Section, p. 1.

"During the Summer of 1991, gas fuel prices sank to the lowest level in many years, below the cost of replacement, simply because of over supply in the field.

Those who profit from the over supply and result in distress price are the gas traders, the interstate pipelines, and the Eastern consumers . . .

No one state can unilaterally overcome the distressed prices resulting from seasonal over supply. No state would want to impose production restrictions, and then see the market move to another state with no improvement in field prices. For this reason, the gas producing states of the Southwest are in close cooperation in these efforts to address the problem of over supply and low field prices."

Source: Letter from Charles Nesbitt, Secretary of Energy of the State of Oklahoma, to Oklahoma State Representative Grover Campbell, Oct. 22, 1991.

"Tipro's (Texas Independent Producers Royalty Owners) intent is to raise natural gas prices. However, to do that, Texas will have to have support from other major suppliers. Oklahoma is prepared to introduce legislation changing the gas production rules if Texas does, Martin said."

Source: Tom Stewart-Gordon, "Texas Producers Pushing New Gas Proration Rules," The Oil Daily, Sep. 10, 1991, at p. 1.

"'The industry is getting sick and tired of the nose dive in pricing that's been occurring since last year.' Says Julian Martin, Executive Director of the Texas Independent Producers and Royalty Owners Association."

Source: Lynn Garner, "Gas Prorationing Plans Boosted By Independence," The Oil Daily, Sep. 11, 1991, at p. 1.

"While the questions in the call for comments deal largely with transportation issues, the object is to help raise the well head price of natural gas in Oklahoma."

Source: Tom Stewart-Gordon, "Oklahoma Sets Complete Review of State's Natural Gas Industry," The Oil Daily, Sep. 27, 1991, at p. 1.

"Asked whether restricting supply wouldn't have the inevitable result of raising prices, Nesbitt responded that it was intended to level them and to stop some producers from selling their gas at prices that undercut the market.

'You can call it price fixing if you want to,' he said. 'Down here, we call it fairness.'"

Source: Robert Barton, "Oklahoma Eyes Gas 'Fairness' Others 'Can Call It Price Fixing,'" Natural Gas Week, Nov. 11, 1991, at p. 1.

"As for that disciplined approach, Pickens predicted Texas regulators will soon implement a prorationing system to curtail production and push up prices."

Source: Jeff Adams, "Texas Squeeze Will Boost Gas Prices," Calgary Herald, Nov. 27, 1991, at B6.

"It would also help boost gas prices at the wellhead, which are wallowing in 10 to 15 years lows, much to the producing segment's chagrin."

Source: Lynn Garner, "Oklahoma Producers Lobby For Prorationing (And Higher Prices)," The Oil Daily, Dec. 17, 1991, at p. 3.

"Debate by natural gas industry officials Tuesday at the Governor's Energy Conference over whether Oklahoma should tighten limits on gas production may have provided a preview of what will occur in the 1992 Legislature.

That issue, stemming from problems created by nagging low prices, is expected to be dumped squarely in the lap of lawmakers when their new legislative session begins in February."

Source: Bob Vandewater, "Gas Limits Fight Hints At Future," The Daily Oklahoman, Dec. 18, 1991, Business Section, at p. 21.

"Proposals in Oklahoma to tighten production limits for natural gas wells might boost wellhead prices as much as 50c per thousand cubic feet (Mcf), some cash hungry independent producers say."

Source: Bob Vandewater, "Producers Debate Risk, Rewards of Cutting Back Gas Production," The Oil Daily, Dec. 26, 1991, at p. 5.

"The collapse of natural gas prices has Oklahoma's independent producers seeking help from an institution they traditionally despise: the government.

Sooner lawmakers will be asked next month to consider a measure that could lead to new limits on natural gas production, bolstering its price and perhaps keeping some smaller producers afloat."

Source: Arnold Hamilton, "Unnatural Liaison, Oklahoma Gas Woes Forcing Producers to Seek Legislation," The Dallas Morning News, Jan. 22, 1992, Business Section, at p. 1.

"Ironically, Olson said, today's problems can be blamed on the industry itself, which, after asking for the past four years to operate under free market rules, now wants relief from the low prices that market forces have created.

Source: Robert Barton, "Analysts Say Prorationing Plan Shows Frustration In Industry," Natural Gas Week, Jan. 13, 1992, at p. 13.

"Last week, the TRC Proposed to substitute its own judgment for the marketplace, to tweak the gas production proration systems so that the price will rise."

Source: John Jennrich, "Chow Time At Jim Bob Lena's Proration Pitstop," Natural Gas Week, Jan. 13, 1992, at p. 2.

"While officials in other gas producing states weren't as sure last week just how a decision by the Texas Railroad Commission (TRC) to move ahead on prorationing might affect allowables systems in their states, they all agreed on one thing—the TRC action was designed to drive up prices."

'You can say what you want to, that's what it's for,' said Oklahoma Energy Secretary Charles Nesbitt, who thinks raising prices is such a good idea that he'd like to see his state follow Texas's lead.

'This is exactly what we were hoping the State of Texas would do, because it demonstrates that Texas is as concerned about the low prices of natural gas, which stems from simple over supply,' he said.

'The idea behind all of this is to reduce allowables and drive up prices' said John R. Aldridge, Director of Engineering for the Office of Conservation at the Louisiana Department of Natural Resources."

Source: Robert Barton, "Other States See Texas Move As Motivated Purely by Price," National Gas Week, Jan. 13, 1992, at p. 1.

"Faced with the prospect that Oklahoma spot gas prices which have slipped below $1.00 per 1,000 cubic feet, could fall to 65 cents this summer, a growing number of independents are asking the state legislature for help in the form of greater gas production prorationing."

Source: Tom Stewart-Gordon, "Oklahoma Seeks To Join Texas In Cutting Natural Gas Output," The Oil Daily, Jan. 30, 1992, at p. 1.

"The current quota system, which is designed to keep individual producers from flooding the market and hammering prices, hasn't worked because loopholes allow for too much over production, independent producers say. They hope the new rules will tighten production and help bolster pricing."

Source: Michael Douglas, "Gas Producing Slashing Supplies, Fight Low Price," Houston Business Journal, Feb. 24, 1992, Section 1 at p. 1.

"'When the smoke is fanned away, it comes down to the fact gas prices are low and they hope this new rule will provide a quick fix,' says John Nabors of Trans-America Natural Gas."

Source: "Texas Railroad Commission To Open Hearings On Proposed Gas Prorationing," The Oil Daily, Feb. 25, 1992, at p. 2.

"The Senate passed a bill Tuesday supporters hope will drive up the price of natural gas by limiting production."

Source: "Senate Bill Limits Natural Gas Production," Tulsa World, Feb. 26, 1992, Section B at p. 1.

"The proposed rule changes are designed to eliminate waste and protect correlative rights, the Railroad Commission's brief contends, although most in attendance translate that goal to achieving higher prices for Texas gas."

Source: Tom Stewart-Gordon, "Prorationing Debate Divides Texas Natural Gas Producers," The Oil Daily, February 27, 1992, at p. 1.

"Plans currently under consideration by the Texas Railroad Commission and the Oklahoma legislature which supporters hope will raise gas prices will probably not do much to increase production or reserves, if history is to be believed."

Source: Tom Stewart-Gordon, "Prorationing Efforts Unlikely To Boost Natural Gas Reserves Or Production Levels In Texas Oklahoma," The Oil Daily, Feb. 28, 1992, at p. 1.

"Those in favor of setting production limits, or prorationing, note that tinkering with the free market could be risky. But given the unseasonably low gas prices, last month Louisiana Natural Gas averaged $1.01 per thousand cubic feet—producers say they're desperate enough to try anything . . .

"Those who favor setting limits on a producer's output believe it could help even out the supply and demand imbalance and thereby drive up natural gas prices."

Source: "State Examines Pros and Cons of Production Caps On Natural Gas," New Orleans City Business, Mar. 9, 1992, Section 1 at p. 6.

"Now some producers want state governments to limit production to raise prices. It sounds like something on the order of an OPEC for natural gas."

Source: Editorial Comment, "Natural Gas Cartel? Not Exactly," New Orleans Times Picayune, Mar. 22, 1992.

"Thus comes the proposal to reduce production 'allowables' set by the Texas Railroad Commission. Proposals known as Rule 29 and the Interim Measures, aimed at decreasing the state's natural gas output, are before the Commission. The clear hope is that by tightening supplies and forcing up prices the industry will be rescued . . .

"The idea of reducing production in hopes of driving up prices has an undeniable populist appeal."

Source: Editorial Comment, "Natural Gas Dilemma, No Solution for State To Lower Production Allowables," Houston, Texas Chronicle, Mar. 24, 1992.

"The U.S. Natural Gas Industry took its fist step toward what critics say could become a domestic cartel when Oklahoma Governor David Walters yesterday signed into law a bill curbing current production by as much as 50%."

Source: Robert Johnson, "Oklahoma Law Curbs Output of Natural Gas," The Wall Street Journal, Mar. 25, 1992, at p. C22.

"Legislation to curtail production from hundreds of the state's biggest natural gas wells took effect Tuesday when Governor David Walters signed a bill that he said 'attacks the supply side problems' that have led to low prices for Oklahoma Gas.

"Oklahoma becomes the first of the top gas producing states to implement measurers to tighten gas production in response to a supply and demand balance that last month drove gas prices to their lowest levels since the 1970s."

Source: Bob Vandewater, "State Limits Gas Output, Walters Signs Proration Measure," The Daily Oklahoman, Mar. 25, 1992, at p. 1.

"The Texas Railroad Commission is considering a proposal to limit production of natural gas in Texas to help bolster prices."

Source: Editorial Comment, "Change Carefully, Raising Natural Gas Prices Has Two Sides," Fort Worth Texas Morning Star-Telegram, Mar. 25, 1992.

"A bill to restrict Oklahoma Natural Gas Production, for conservation and possible profit, was signed into law Tuesday by Governor David Walters."

Source: Lou Anne Wolfe, "Governor Signs Natural Gas Prorationing Bill," The Journal Record, Mar. 25, 1992.

"At the same time, a new Oklahoma law that could raise the price of natural gas by tightening seasonal production limits is improving morale at many of the state's independent energy companies."

Source: Christopher Ryan, "Gas Price Rise Brings Some Firms Back, Prorationing Law Boosts Morale," The Tulsa Tribune, Mar. 27, 1992, at p. 6C.

"Edwards is the only state official to acknowledge that the purpose of prorationing is to raise natural gas prices."

Source: Tom Stewart-Gordon, "Gas Prorationing Facing Strong Opposition In Louisiana," The Oil Daily, Apr. 2, 1992 at p. 1.

"Edwards said that prices in Oklahoma have risen 10c/Mcf since the state began limiting production. A higher price for gas would raise state revenues, which would offset the higher price industry would pay for gas, Edwards said. He said the effect on residential customers would not be noticeable."

Source: Mary Judice, "Edwards Expect Big Battle In Louisiana Over Prorationing," Natural Gas Week, Apr. 6, 1992, at p. 3.

"At the heart of today's challenge is the price of natural gas * * * the spiraling decline of natural gas prices is forcing many independent producers to scale back operations * * *

So what to do? That question poses a puzzling problem for the Texas Railroad Commission. The state's three Railroad Commissioners—Lena Guerrero, Jim Nugent and Bob Krueger—are deliberating whether or not to set new production limits for Texas natural gas.

Those who favor restricting 'allowables,' as the industry refers to monthly production levels, argue that when supplies are reduced, supply and demand will be placed in equilibrium. At that point, one may expect to see a rise in the price of natural gas, or at least greater stability in price levels."

Source: Editorial Comment, "Natural Gas, Railroad Commission Should Trim Production Level," The Dallas Morning News, Apr. 6, 1992.

"Now comes Oklahoma's prorationing law. Soon may come similar laws in Texas and Louisiana. The states say they're promoting conservation, a legitimate aim of prorationing. But everyone has heard the pitch: Markets aren't working so states must act to restore prices to healthy levels."

Source: Editorial, "Bogeyman Don't Set Oil And Gas Prices," Oil & Gas Journal, Apr. 6, 1992, at p. 19.

"Spot market prices for April rose 16 cents to $1.33/MMBTU according to the Natural Gas Clearinghouse, which reflects an increase in March mid-month prices, market reaction to widely reported shut-ins by producers, and concerns about the impact of prorationing proposals in various producing states."

Source: "Clearinghouse Prices Rise 16 Cents In April," Natural Gas Intelligence, Apr. 6, 1992.

"Changes in prorationing formulas adopted in Oklahoma and contemplated in Texas and Louisiana will better match production to demand, according to analyst Daniel Tulis and Yves Siegel. They also said gas prices could be propped up in the summer with prorationing in the three states, which accounted for 47% of the country's production in 1990."

Source: "Prorationing Talk Has Producer Stock Looking Up," Gas Daily, Apr. 8, 1992.

"'There is no doubt about it,' said one source. 'There is less supply in Oklahoma.' Based on what's happened to Oklahoma prices, he predicts gas prices will jump to $2.00 if Texas adopts prorationing."

Source: "Price Bite Catches Okla. Intrastate By Surprise," Gas Daily, Apr. 23, 1992.

"Secretary Watkins also criticized as interference with free markets a move by the State of Oklahoma to curtail production of natural gas. Last month, Oklahoma passed a law that would curb current natural gas production by as much as 50%, a move which producers hope will result in higher wellhead prices. Texas and Louisiana regulators and legislators have been considering similar actions.

'We're hoping that market interference can be avoided, despite the grave situation facing the industry,' said Secretary Watkins."

Source: Suzanne McGee, "Watkins Says House Energy Measure Could Spark Recommendation For Veto," The Wall Street Journal, Apr. 15, 1992, at p. A8.

"'Something fundamentally different is occurring in the gas markets, in part because of prorationing,' said an experienced trader whose firm only went into the gas pit a year ago."

Source: "Futures Continue To Surge As June Nears Close," Gas Daily, May 20, 1992, at p. 1.

"In addition, they say, as long as one well is producing, it forces others in the same formation to produce, rather than shut in, or risk having the gas drained from beneath them. This further drives down price by forcing more gas onto the flood market . . .

Consequently, they say, that purchasers are doing the allocating and they are buying the absolutely cheapest gas."

Source: "State Legislature, Senate Committee Endorses Seasonal Natural Gas Proration, Present Law Leads To Market Over Supply, Low Prices Supporters Say," The Oklahoma Energy/Environment Report.

"Under current market conditions, Stripe said, Oklahoma Natural Gas is leaving the state at nearly all-time low prices."

Source: "State Legislature, Seasonal Natural Gas Proration Bill Passes Senate, Bill Preserves Resources For Future Generations, Supporters Say," The Oklahoma Energy/Environment Report.

I urge my colleagues to bear in mind the time honored adage that a rose by any other name is still a rose. Similarly, they can call it prorationing, streamlining production regulation, preventing waste or protecting property rights, but let's not be fooled, the recent actions of Texas and Oklahoma have a very transparent purpose—restrict natural gas supply to raise price.

The amendment adopted by this House last month to H.R. 776 is intended to put a stop to this kind of gimmickry. Traditional state regulation of natural gas production to prevent waste and protect property rights is explicitly allowed by the language now included in H.R. 776. Impermissible State regulation is only that which has the substantial purpose or effect of generally restricting gas production and raising the general price level of natural gas.

If the recent actions of the producing States are, in fact, only intended to prevent waste and protect property rights, then H.R. 776 has no effect whatever on those State regulations.

If, on the other hand, they are price raising schemes in a fancy bureaucratic disguise, they should be and are prohibited. It's that simple.

When the House passed the Markey-Scheuer amendment, it did the right thing.

TRIBUTE TO TERRY ANDERSON

HON. LOUISE M. SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Ms. SLAUGHTER of New York. Mr. Speaker, the tattered yellow ribbons, which have lined the streets of Batavia, NY, for more than 6 years will finally be replaced by streamers of red, white, and blue; for this weekend, the people of Batavia will celebrate a hero's homecoming.

Terry Anderson grew up in Batavia. He came there with his family as a small boy. He left as an aspiring journalist. And, he returns an American hero.

Terry Anderson suffered 6½ long years in captivity in Lebanon. Through each of those 2,454 days he spent locked in a dark cell, he was remembered by the people he grew up with, the people who called him their neighbor and their friend. In Batavia, the hope for Terry's freedom was kept very much alive. On birthdays and anniversaries, the townspeople would gather for prayer services, and candlelit ceremonies. Church bells pealed as the passing days turned to months and then to years. Swarms of yellow ribbons tied to trees, lamp posts, mailboxes, and street signs weathered 6 harsh winters. Schoolchildren who never knew Terry penciled loving remembrances in the hope that their messages would reach Terry and give him strength.

The town which faithfully kept vigil while their native son was held captive overseas gathers together this weekend to embrace the man they held in their prayers these many years. He is a man who other hostages credit with giving them the strength to endure and the will to survive. He is a man who was robbed of 6½ years of his life and can find room in his heart to forgive his captors. As his devoted sister Peggy Say has told us, "He is a legend in the world of hostages and the yardstick by which all Americans should measure themselves."

Mr. Speaker, I pay tribute today to Terry Anderson and his great courage, dignity and charity. His strength of spirit is inspiration to all the world. And, I salute the people of Batavia whom I am proud to represent in Congress. The loving, stubborn vigilance of the Batavia community kept hope alive and was rewarded on December 4, 1991, when Terry finally walked free and was reunited with his family.

I will be in Batavia for the celebrations this weekend, and I will bring one simple message. "Welcome home, Terry. We love you."

TRIBUTE TO CLUB DE BODEGUEROS Y AMIGOS

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. SERRANO. Mr. Speaker, I rise today to recognize Club de Bodegueros y Amigos—the Club of Grocery Store Owners and Friends—in New York City. This unique organization was formed to support our local Hispanic grocery store owners and provide them with a forum in which to discuss and solve common concerns.

Club de Bodegueros y Amigos provides a wide range of services to its members. Numerous workshops and seminars are offered to educate store owners concerning aspects of their business about which some might not be familiar and to inform them about developments which might have an effect on their market. Legal and financial assistance is available to members of Club de Bodegueros y Amigos. Members are entitled to a free legal consultation and should they need further legal help, legal fees are reasonable or discounted. Members can receive help with their accounting and taxes. Advice with regard to insurance, refrigerator maintenance, and pest control, among many other areas, is yet another service provided to members of Club de Bodegueros y Amigos.

This exceptional club is an outstanding example of what can be achieved when a community pools its resources in order to provide assistance to those who need it. By working together, we can help and encourage one another, thereby ensuring the continued harmony and success of our communities. Mr. Speaker, please join me in applauding the efforts of Club de Bodegueros y Amigos and wishing this organization continued success as it assists the Hispanic grocery store owners of New York City.

TRIBUTE TO ROCK HILL, SC, FOR FUTURE PLANNING

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. SPRATT. Mr. Speaker, the largest city in my district, Rock Hill, SC, has been named by the U.S. Conference of Mayors as one of the top five small cities in America which are doing the most to become a better place to live.

The reason Rock Hill is a great place to live is because its citizens and leaders are planning for their future. In the 1980's, when textile mill after textile mill slammed its doors, Rock Hill's economy was bleak.

But city leaders and citizens shouldered the responsibility for getting their city's economy back on track. In 1988, more than 200 citizens gave hundreds of hours of their time to serve on task forces charged with deciding how to make their city a better place to live.

From that, a very unique plan emerged—a 10-year strategic plan called "Empowering the Vision." It is unusual because it brought together seven institutions who until then had operated independently, and who now are working toward common goals.

Those institutions are the city of Rock Hill, York County, Rock Hill Economic Development Corp., Rock Hill School District, Winthrop University, York Technical College and Rock Hill Area Chamber of Commerce.

The plan focuses on projects to be completed by each of those entities from 1990 to 2000 in six theme areas: education, business, arts and culture, utilities and transportation, gardens and greenways, and historic preservation.

The independent panel of judges for the Livability Awards program noted that Empowering the Vision's detail puts it years ahead of most cities. The judges also called the plan "a strong model of an exceptionally effective city planning process, characterized by ambitious cooperation and partnership."

I'd like to commend the citizens and leadership of Rock Hill for finding an innovative way to aggregate resources in this time of scarce funding. Their willingness to work together to plan for orderly growth means that Rock Hill will remain a unique, livable and progressive place now and for generations to come.

A TESTIMONY OF DEVOTION AND DEDICATION—GRAND OPENING OF WEST DEAL, NJ SYNAGOGUE

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. PALLONE. Mr. Speaker, Sunday, June 28, 1992, will mark a very special occasion in the life of the good people of Congregation Magen David in West Deal, NJ. This Sunday will witness the grand opening of a new synagogue for this tight-knit congregation. The story of the congregation's formation and growth is a testimony to the dedication and devotion of its leaders and all of its members.

The story began in 1976 when Mr. Joe Betesh bought a home in the oceanfront community of Deal. Mr. Betesh convinced the builders, who were having trouble selling all of the new homes, that, if they built a synagogue, more residents would be attracted to the area. Under the leadership of Mr. Charles E. Cohen, the congregation's first president, and Mr. Morris E. Cohen, one of its founders, with the assistance of Mr. Michael Gohar and Mr. Larry Ansell, the congregation eventually found a home in West Deal. From those beginnings, the congregation has grown to include some 175 families.

The new synagogue was completed in the space of 9 months. It was designed by an in-house architect, Mr. Ken Hinsel, and interior designer Ms. Stacy Greenberg. Many other members of the congregation have been involved in the planning, funding and construction of the new synagogue. Mr. Charles Saka, the current president, has been a particularly effective supporter and fundraiser for the congregation.

Mr. Speaker, it is a pleasure to pay tribute to Congregation Magen David on this auspi-

cious occasion. Under the leadership of Rabbi Ezra Labaton, a graduate of the Yeshiva University of New York, I am confident that Congregation Magen David will continue to grow and prosper for many years to come.

HONORING MELVIN HARRISON, PATHFINDERS AWARD NOMINEE

HON. JON KYL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. KYL. Mr. Speaker, it is with great pleasure that I rise today to commend Mr. Melvin Harrison from Chinle, AZ on his nomination for a Pathfinders Award. Mr. Harrison is one of only 131 outstanding individuals from across America who have been nominated for Pathfinders Awards in recognition of their unique and vital contributions to the national fight against HIV infection and AIDS.

Mr. Harrison was nominated for this award by National Partners, a consortium of 18 nationally recognized organizations, because of his personal commitment to HIV/AIDS education and prevention. Mr. Harrison is the founder of the Central Navajo AIDS Coalition in Chinle, AZ. As a result of his direct involvement in the delivery of AIDS prevention services on the Navajo Indian Reservation, there now exists among the Navajos a more comprehensive awareness of HIV/AIDS.

I would like to join National Partners in saluting Melvin Harrison and his invaluable contribution to the fight against HIV/AIDS.

RECOGNITION OF THE 1991-92 COSMOS UNDER-14 SOCCER TEAM OF JACKSON, MS

HON. MIKE PARKER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. PARKER. Mr. Speaker, today I stand in the Halls of Congress, in the "people's Chamber" to speak in honor of the fantastic accomplishments of the 1991–1992 Cosmos Under-14 Soccer Team of Jackson, MS.

The Cosmos are the first black youth soccer team in the State of Mississippi to win a league championship, a division championship, and an invitational tournament. They are also the first black youth soccer team in the Nation to win an interstate invitational tournament and a State championship. In a span of 7 years from 1986 to 1992 the Cosmos had an overall record of 157 wins, 13 defeats, and 9 ties for an overall winning percentage of 92 percent. During the regular season their 101 wins and 3 losses earned them a winning percentage of 97 percent. They have won six league championships, four division championships, two State invitational tournaments, and two State championships.

The names of these talented and hard-working young men are Jason Robinson, Monte Cornelius, Kwesi Skinner, Jamian Jackson, Frank Mickens, Elbert McGowan, Brian Reynolds, Jonothan Phillips, Reginald Burns, Graham Williams, Cory Thigpen, Cedric Pendleton, Charles Jackson, Andre Denman, and Joseph Webster. They were led by their head coach Dr. Ivory Phillips and assistant coaches Frank Mickens, Jacob Byas, Neal Robinson, and Curtis Pendleton.

Probably the greatest achievement of this special team was not their record, but how they presented themselves on the field as good sportsmen. That is what really separates this team from the rest. So I would like to congratulate the Cosmos for their outstanding performances on and off the field. They are a unique group of individuals who deserve every honor that they have gained. I want to wish the players and their coaches continued success not only in soccer but also in their everyday lives.

TRIBUTE TO CARLTON C. BROWNELL ON HIS 75TH BIRTHDAY

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. MACHTLEY. Mr. Speaker, I rise today to congratulate Mr. Carlton C. Brownell of Little Compton, on the celebration of his 75th birthday.

Mr. Brownell has dedicated himself as curator and executive director of the Little Compton Historical Society for the past 37 years. In this capacity, he fully organized and directed the restoration of the Wilbor House whose beautifully finished interior is home to the Little Compton Historical Society. Carlton has also contributed to the preservation of several fascinating and timeless landmarks in the Little Compton community. In addition, Carlton's commitment and efforts as researcher, author, and editor of a variety of publications, have spread the word about the many architectural treasures in Little Compton, nationwide.

It is a great pleasure for me to join with Carlton's many friends and family in wishing him a very happy birthday with more healthy and happy years to come.

TRIBUTE TO CHARLES H. CUNNINGHAM

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. WELDON. Mr. Speaker, I rise today to recognize the outstanding community service of Charles H. Cunningham. Mr. Cunningham has served as grand knight of the Knights of Columbus, Council 590, in the township of Springfield for the past 2 years.

Mr. Cunningham has faithfully served the Knights since September 21, 1976. Mr. Cunningham receive his forth degree in April 1984 and became grand knight in 1990.

While serving as grand knight, Mr. Cunningham has received letters of commendation from each branch of the Armed Forces, including a commendation from Gen. Colin Powell, Chairman of the Joint Chiefs of Staff, for his efforts in coordinating a ceremony honoring the men and women who were killed in Operation Desert Storm. In addition, Mr. Cunningham was commended by Federal, State, county, and city law enforcement agencies for sponsoring a memorial ceremony honoring police officers killed in the line of duty, as well as his sponsorship of the annual Law-Armed Forces Day.

Mr. Cunningham has also been instrumental in charitable work, raising funds for institutions like the Deborah Hospital and Shriners Burn Center for Crippled Children. He was also a major supporter of the Most Holy Trinity Chapel Restoration Program Fund at the U.S. Military Academy, West Point, NY.

Mr. Cunningham received the Knights of Columbus' State Recognition Award and was commended by his Excellency, Rev. Thomas V. Daily, bishop of Brooklyn, NY, and supreme chaplin, Knights of Columbus, for the many patriotic, charitable, and humanitarian programs he instituted.

Charles H. Cunningham has proven himself to be an outstanding leader both in the Knights of Columbus and in the community. It is with great pleasure that I congratulate him for the positive impact he has had on the members of Council 590 and the entire Delaware County community.

TRIBUTE TO DAWN SULLIVAN

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. REED. Mr. Speaker, I rise today to pay tribute to the memory of Dawn Sullivan, director of the Department of Human Services who died last week at the age of 47 after a tragic illness.

Dawn Sullivan dedicated her life as a champion in the field of human and social services in Rhode Island. As a young man, I grew up in the same neighborhood of Cranston with Dawn Sullivan. A few years my senior, I watched with respect, admiration and pride as Dawn Sullivan made a career as a dedicated professional committed to improving the quality of life for those in our community.

From her work with Dorcas Place Parent Literacy Center, the Rhode Island Rape Crisis Center, the Salvation Army, the Rhode Island Advisory Commission on Women, Dawn Sullivan has touched the lives of many. Sadly, her career culminated just prior to her illness when she was appointed director of the RI Department of Human Services.

Her compassion, commitment, dedication and boundless energy graced us during her brief life and will inspire and sustain us as we move forward and rededicate ourselves to follow her example of providing for those in need.

Rhode Island will greatly miss here compassionate nature, her professionalism and leadership. We are all diminished by her passing. I join with her family, friends, colleagues and the entire community in pausing to pay tribute to a remarkable woman and an outstanding public servant.

CONGRATULATIONS TO GILL C. JOB

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. TORRICELLI. Mr. Speaker, it is with great respect and admiration that I address my colleagues in the House today, for I rise to extend my heartiest congratulations and warmest best wishes to Gill C. Job as he is honored at a testimonial dinner by the Bergen County Democratic and Republican Parties.

Born in Bergen County, Gill has been a resident of Allendale for over 40 years. He was first elected to the Allendale Board of Education in 1941 at the age of 24. Reelected in 1942, he resigned to enter the U.S. Army.

Gill was elected to the Republican County Committee in 1946 and served as chairman of the 1st District Republican County Committee in 1949. In 1950 he was elected to the New Jersey State Legislature.

Gill served as under sheriff for 1 year in 1951. He served as deputy surrogate for 6 years and was then elected surrogate in November 1957, and reelected in 1962 and 1967. He was denied renomination by the Republican Party for a fourth term in 1972, and was elected on the Democratic ticket by a plurality of 60,000 votes. He was then reelected in 1977 and 1982 and again in 1987 for his seventh 5-year term.

Gill has served 3 terms as president of the Bergen County Men's Republican Club as well as past president of the Bergen County Federation of Holy Name Societies, trustee of Guardian Angel RC Church, member of Allendale American Legion Post 204 and Mahwah Lodge 1941 B.P.O.E. He also served as president of the County Officers Association as well as section chief of the surrogate section.

Gill is a graduate of Kutztown State in Pennsylvania where he graduated with highest honors being on the deans list for the entire 4 years with an average of 93.5. He was also an outstanding athlete playing both football and baseball.

After over 50 years in public service—Gill is being tendered a testimonial dinner to recognize him for all his efforts. Mr. Speaker, I am proud to join in paying tribute to Gill Job. I am sure he will continue to provide invaluable service to this community and truly make a difference in society. I extend my best wishes to him on this most special occasion.

OVERTURN PRESIDENT BUSH'S VETO

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. DOWNEY. Mr. Speaker, several weeks ago I heard from two of my constituents on Long Island—two sisters who had recently ended a long and painful chapter in their lives. Their father had finally died of Alzheimer's disease, and emotionally they wrote, that his death had finally come as a blessing. They had watched their father, once a strong and independent man, become a confused, frail, dependent invalid. They wrote to me that even though he survived for many years, the person they had once known left them years ago. These women implored me to do all that I can to ensure that their children do not have to watch the same thing happen to them.

We have before us today an opportunity to do just that, to ensure that promising fetal tissue research continues, research which may hold the cure for such debilitating diseases as Alzheimers, Parkinson, AIDS, and diabetes. For decades, researchers have used fetal tissue in biomedical research. Many major vaccines now in use, including those for polio and rubella, were developed using fetal tissue research. Fetal tissue research continues to show great promise for the treatment of a number of devastating illnesses.

By vetoing the National Institutes of Health reauthorization bill, President Bush has virtually put a standstill to this invaluable research. He stated that such research is "inconsistent with our Nation's deeply held beliefs," and that such research is "morally repugnant." I disagree. On the contrary, I would counter that it is morally wrong to deny the millions of Americans who are suffering from Parkinson, Alzheimers, diabetes, AIDS, or many other serious illnesses the potential cure that this research promises. What I find to be even more disturbing, is that because of his opposition to the fetal tissue research provision, the President's veto also denies countless Americans vital health services and research that is provided by the National Institutes of Health.

I implore my colleagues in the House to join together and overturn President Bush's veto.

DR. JOSE R. GONZALEZ OF PUERTO RICO SELECTED FOR PRESIDENTIAL COMMISSION

HON. ANTONIO J. COLORADO

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. COLORADO. Mr. Speaker, I rise today to pay tribute to a distinguished educator from the Commonwealth of Puerto Rico who has just been appointed by President Bush as a member of the President's Advisory Commission on Educational Excellence for Hispanic Americans.

As the White House pointed out in a June 15 statement announcing the Presidential appointment of Dr. Jose R. Gonzalez, this is a new position. As such, it is a single honor not only for Dr. Gonzalez but also for the 3.6 million U.S. citizens in Puerto Rico, whom I represent in the Congress. It is also an honor for Inter American University of Puerto Rico, of which Dr. Gonzalez is its distinguished president.

The accomplishments of Dr. Gonzalez are far too numerous and varied to mention in great detail, Mr. Speaker, but let me just point out that his experience has covered the whole spectrum of higher education in Puerto Rico. Since 1990, Dr. Gonzalez has served as president of Inter American University in San Juan, where earlier he had been vice president for academic affairs from 1985 to 1990, and before that, associate vice president for academic affairs from 1980, to 1985.

From 1979 to 1980 Dr. Gonzalez served as consultant in academic planning to the president of the University of Puerto Rico and director of the university's division of educational development on the medical sciences campus. Since 1960, he has also held a number of other positions at the University of Puerto Rico, from which he was graduated in 1955. Dr. Gonzalez went on to get his graduate degree from the School of Public Health at the University of Puerto Rico in 1957 and his Ph.D. in public health and education in 1967 from the University of North Carolina at Chapel Hill.

Dr. Gonzalez entered the United States Army in 1951 and served for 18 months in Germany.

Mr. Speaker, I know that you and the rest of my colleagues in the House join me in saluting Dr. Gonzalez for adding yet another illustrious accomplishment to what is already a lengthy and distinguished career record. President Bush wisely chose a man of proven competence and integrity for this new position, and the President's Commission on Educational Excellence for Hispanic Americans will be a better organization because of Dr. Jose R. Gonzalez' presence and contributions.

IN RECOGNITION OF JACK ZAIFMAN

HON. DICK ZIMMER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. ZIMMER. Mr. Speaker, I rise today in recognition of Jack Zaifman, who is being honored as Man of the Year by the Trenton Lodge of the B'nai B'rith. Jack has been active in the American Jewish community for more than 40 years and is a well-respected businessman, devoted husband, and father of four children.

Jack Zaifman's life has been nothing short of inspirational. A youth in war-ravaged Europe, Jack witnessed first-hand the horrors of the Holocaust. As he was dying of typhus, Jack was saved by two members of the German Luftwaffe. Not surprisingly, this left a lasting impression; all mankind had not lost its decency and humanity.

Mr. Speaker, Jack Zaifman has spoken to tens of thousands of students and conveyed his message that there is—and must be—hope when all appears hopeless. I salute Jack for all his efforts and wish him and his family well as he is honored on June 28.

IN RECOGNITION OF THE EAST END SEAPORT AND MARINE FOUNDATION

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. HOCHBRUECKNER. Mr. Speaker, I rise today to pay honor to the East End Seaport

and Marine Historical Foundation, located in Greenport, NY. This organization has as its honorable mission the preservation, restoration, and recognition of the marine and seaport history of eastern Long Island.

The East End Seaport and Marine Foundation recognizes the value and importance of the past, in particular, the rich maritime history that is such an integral part of Long Island's heritage. The beauty of the project is that it is a true community effort, with East Enders willing to contribute not only memorabilia, but also their time and money.

The initial project to which the historical foundation dedicated itself, was the restoration of the Long Beach Bar "Bug" Lighthouse, at the entrance to Peconic Bay. Lighthouses were an integral part of the growth and strength of Long Island's early economic history. However, the shift from a water-based economy and commerce to one comprised of road, rail, and air meant a reduction in the use of lighthouses. In most cases, historical lighthouses throughout the nation were sold, abandoned or even demolished. Through the efforts of the East End Seaport and Marine Historical Foundation, the citizens of Long Island organized to save a part of their precious maritime and cultural history.

The restoration and preservation of the East End's rich fishing and navigation history is expected to continue with the opening of the foundation's East End Seaport Maritime Museum on June 27, 1992. The Museum and its exhibits, ranging from a turn-of-the-century fishing exhibit to a sea life aquarium, will be housed in the newly renovated Greenport railroad station. Day-long festivities will take place, including visits from tall ships *Lady Maryland,* the *Sylvania Bell,* and the *Quinnipiack.* In addition, a Coast Guard vessel will be available for tours. It should prove to be a memorable day in the life of the East End's marine and seaport history.

As the Congressman for this district and a native Long Islander, I am honored to recognize this foundation, which makes such a valuable contribution to its community with the restoration and preservation of local maritime history. The fruits of its efforts are priceless. I applaud the selflessness and commitment of this community to preserve the rich history of Eastern Long Island for generations to come.

LAND TRANSFER BETWEEN U.S. FOREST SERVICE AND CHELAN COUNTY PUBLIC UTILITY DISTRICT

HON. SID MORRISON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 24, 1992

Mr. MORRISON. Mr. Speaker, I am introducing a bill to authorize the Secretary of Agriculture to transfer a sewage system owned by the Lake Wenatchee Ranger District of the Wenatchee National Forest in Washington State to the Chelan County Public Utility District. This transfer would complete the takeover of the system by the utility district, which currently operates the facilities under a permit from the Forest Service, and allow the utility district to improve and expand the facility to meet the needs of Lake Wenatchee residents.

The only sewage system in the area is located at the Lake Wenatchee Ranger District office, and it does not yet serve all area residents. Currently, the sewage of the shoreline residents of Lake Wenatchee is dumped, via septic systems, into the Lake Wenatchee water table, and the damage to the lake is becoming ever more apparent.

Both the Forest Service and the utility district agree that the utility district must acquire the land on which the facilities are located in order to expand and operate the system properly. In exchange, the Forest Service will receive land of equal value from the utility district. Once these properties are exchanged, the utility district will undertake the needed expansion with the goal of attaching all willing residents at Lake Wenatchee to the system, thereby improving the quality of life on the lake for everyone.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, June 25, 1992, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 26

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings to examine how new technologies can reduce greenhouse warming, deforestation, resource depletion, water and air pollution, and other environmental problems.
SR-253

Governmental Affairs
Government Information and Regulation Subcommittee
To hold hearings to examine preparation for the next census.
SD-342

10:00 a.m.
Foreign Relations
To continue hearings on the Treaty Between the U.S. and the USSR on the Reduction and Limitation of Strategic Offensive Arms (The Start Treaty), signed in Moscow on July 31, 1991, and Protocol thereto dated May 23, 1992 (Treaty Doc. 102-20), focusing on defense implications and military views.
SD-419

10:30 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to review the report from the Council on Competitiveness entitled "Capital Choices: Changing the Way America Invests in Industry."
SD-538

JUNE 30

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on S. 2538, to establish a comprehensive program to ensure the safety of fish products intended for human consumption and sold in interstate commerce.
SR-253

Foreign Relations
To resume open and to hold closed (S-407, Capitol) hearings on the Treaty Between the U.S. and the USSR on the Reduction and Limitation of Strategic Offensive Arms (The Start Treaty), signed in Moscow on July 31, 1991, and Protocol thereto dated May 23, 1992 (Treaty Doc. 102-20), focusing on intelligence community views.
S-116, Capitol

Veterans' Affairs
To hold hearings to examine the needs of women veterans who were sexually abused during service.
SD-G50

10:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Ritajean Hartung Butterworth, of Washington, to be a Member of the Board of Directors of the Corporation for Public Broadcasting.
SR-236

2:00 p.m.
Judiciary
To hold oversight hearings on the activities and programs of the Department of Justice.
SD-226

2:30 p.m.
Finance
Health for Families and the Uninsured Subcommittee
To hold hearings to examine ways to improve health care services for persons who live far from doctors and treatment centers, focusing on S. 773, to increase access to primary health care service programs for medically underserved populations, and S. 1227, to provide affordable health care to all Americans.
SD-215

JULY 1

9:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on mobile communications.
SR-253

10:00 a.m.
Foreign Relations
To continue hearings on the Treaty Between the U.S. and USSR on the Reduction and Limitation of Strategic Offensive Arms (The Start Treaty), signed in Moscow on July 31, 1991, and Protocol thereto dated May 23, 1992

(Treaty Doc. 102-20), focusing on implementation of the treaty.

SD-419

1:00 p.m.

Select on Intelligence

Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1993 for intelligence activities.

SH-219

2:00 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on H.R. 1096, to authorize funds for fiscal years 1992 through 1995 for programs, functions, and activities of the Bureau of Land Management, Department of the Interior.

SD-366

JULY 2

9:30 a.m.

Select on Indian Affairs

Business meeting, to mark up S. 2044, to assist Native Americans in assuring the survival and continuing vitality of their languages, S. 1687, to increase the capacity of Indian tribal governments for waste management on Indian lands, and S. 2836, to promote economic development on Indian reservations by making loans to States and to assist States in constructing roads on Indian reservations; to be followed by an oversight hearing on fractionated heirships, Indian probate, oil and gas royalty management, land consolidation demonstration programs, and management of Indian trust funds.

SR-485

Joint Economic

To hold hearings to examine the employment-unemployment situation for June.

SD-628

10:00 a.m.

Foreign Relations

Business meeting, to consider the Treaty between the U.S. and the USSR on the Reduction and Limitation of Strategic Offensive Arms, signed in Moscow on July 31, 1991 (START Treaty), and Protocol thereto dated May 23, 1992 (Treaty Doc. 102-20), Convention for the Conservation of Anadromous Stocks in the North Pacific Ocean, with annex (North Pacific Salmon Treaty) (Treaty Doc. 102-30), and pending nominations.

SD-419

Veterans' Affairs

To hold hearings on S. 2028, to revise title 38, United States Code, to improve and expand health care and health-care related services furnished to women veterans by the Department of Veterans Affairs.

SH-216

2:30 p.m.

Select on Indian Affairs

To hold hearings on the proposed Buy Indian Act Amendments.

SR-485

JULY 21

9:30 a.m.

Select on Indian Affairs

To hold hearings on proposed legislation to establish a National Indian Policy Research Institute.

SR-485

2:30 p.m.

Select on Indian Affairs

To hold hearings on S. 2746, to extend the purposes of the Overseas Private Investment Corporation to include American Indian Tribes and Alaska Natives.

SR-485

JULY 22

9:30 a.m.

Rules and Administration

To hold hearings on S. 2748, to authorize the Library of Congress to provide certain information products and services.

SR-301

10:00 a.m.

Veterans' Affairs

To hold hearings on proposed legislation relating to veterans housing and the Court of Veterans Appeals.

SR-418

2:30 p.m.

Select on Indian Affairs

To hold hearings on the proposed Yavapai-Prescott Water Rights Settlement Act, and the Ft. Mojave Water Use Act.

SR-485

JULY 23

9:30 a.m.

Rules and Administration

To hold joint hearings with the Committee on House Administration on S. 2813 and H.R. 2772, bills to establish in the Government Printing Office a single point of online public access to a wide range of Federal databases containing public information stored electronically.

SR-301

Select on Indian Affairs

To hold hearings on S. 2833, to resolve the 107th Meridian boundary dispute between the Crow Indian Tribe, the Northern Cheyenne Indian Tribe and the United States and various other issues pertaining to the Crow Indian Reservation.

SR-485

AUGUST 4

9:30 a.m.

Select on Indian Affairs

To hold hearings on S. 2617, to provide for the maintenance of dams located on Indian lands in New Mexico by the Bureau of Indian Affairs or through contracts with Indian tribes.

SR-485

AUGUST 5

10:00 a.m.

Veterans' Affairs

Business meeting, to consider pending calendar business.

SR-418

AUGUST 12

9:30 a.m.

Select on Indian Affairs

To hold oversight hearings on Indian trust fund management.

SR-485